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Gaining Votes for Nomination

Ford Edges Toward Victory Before Key Convention Test

By Lou Cannon and William Claiborne

NSAS CITY, Aug. 17 (AP)—Republican National Convention opened here last night with clear signs that President Ford was closing in on the presidential nomination.

He the Ford forces and those who had Reagan maneuvered in position of a key vote on nomination procedure, Mr. Ford

picked up more public commitments by delegates, and others appeared to be wavering in their support for the challenger.

At the end of the day Mr. Ford appeared to be only a few short of the 1,100 votes needed for nomination. Only 90 delegates remained uncommitted.

His gains yesterday came in endorsements by previously uncommitted delegates. Even such delegates who pledge themselves to a candidate remain free to

change their minds, however. Despite Mr. Ford's steady gain in delegate strength, a key strategist in his camp said that a vital floor vote, scheduled for today, was "wide open and could go either way."

He was referring to a Reagan proposal for a procedural change, rejected by the convention's Rules Committee on Sunday, that would force Mr. Ford to reveal his choice of a running mate before the presidential nominating ballot. There were signs that in this vote, delegates might abandon their candidate commitments, and strategists for both sides acknowledged that they lacked a firm count.

Another test before the presidential balloting was also scheduled to come up today. It involved an omnibus foreign-policy platform plank that the Reagan forces unveiled yesterday.

The proposed four-point "morality in foreign policy" plank took direct issue with Ford administration policies of which Secretary of State Henry Kissinger has been the prime architect.

The proposed plank commends Alexander Solzhenitsyn, the exiled Russian novelist and critic of the Soviet Union, who was snubbed by Mr. Ford last year. It also assails the granting of "unilateral favors" in pursuing détente, takes issue with the 1975 Helsinki agreements recognizing Soviet domination of what it calls the East European "camp."

Richard Nixon is not mentioned in this year's convention. Page 3.

Attention centers on vice-presidential choice. Page 3.

Sworn Affidavit

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At the convention floor last night, Marie Goodlow, 45, of Chicago, said she was one of the delegates to whom an offer made. As she described it, an aide identified himself as a Reagan supporter approached Sunday and said, "I heard you go with us. Reagan's will give you \$2,500."

Mr. Goodlow said she had talked with a man who said he was a Reagan supporter. He said he would give her \$2,500. She said she had reported Mr. Goodlow, meanwhile, declined to confirm that Mrs. Goodlow was one of the two delegates that he had talked about. Mr. Goodlow is himself a Ford delegate and head of the Illinois delegation.

He said the two delegates "were offered a material consideration to change their votes. The fact is that two people were approached—two Ford people were approached."



EARTHQUAKE VICTIM—Man being pulled from building in Cotabato City, Philippines, where he was buried by debris when an earthquake and tidal wave hit a Pacific area.

Philippine Quake Toll Put at 1,800; Provincial Capital in China Jolted

MANILA, Aug. 17 (Reuters)—A powerful earthquake and 15-foot-high tidal waves have left 1,800 people dead in the southern Philippines, with thousands more made homeless in the country's worst recorded disaster.

The earthquake's epicenter was under the Celebes Sea and it was the resulting tidal wave, sweeping over the scattered islands in the area as people slept, which apparently caused most of the deaths.

President Ferdinand Marcos tonight declared a state of emergency on densely populated Mindanao Island, the worst-hit area, and the nearby islands of Sulu, Basilan and Tawi Tawi, all swamped by the tidal wave. Dozens of Mindanao buildings collapsed, officials here said.

In Peking, the New China News Agency said today that a major earthquake that hit western China last night registered strong shocks in a provincial capital with a population of more than 3 million.

In its first official account of the earthquake, 24 hours after it was reported by foreign seismologists, the agency said the epicenter was in the Sungen-Pingwu area, near the borders of Szechwan and Kansu provinces.

It said the quake registered 7.2 on the Richter scale and that "strong shocks were felt in Chengtu (the provincial capital)."

The agency gave no details of casualties but said damage was slight in China's second major earthquake in less than a month. Three weeks ago, the industrial city of Tangshan was devastated.

Reporting on yesterday's quake, the news agency said, "The damage was very slight because the Chinese Seismological Department forecast the earthquake and the Szechwan provincial committee had taken precautionary measures beforehand."

The two towns mentioned in the official reports, Pingwu and Sungen, have a population of fewer than 20,000 each. Accurate estimates were not available for the region, which has not been visited by foreigners for many years.

The Philippines quake, which registered 7.5 on the Richter scale, was felt here in Manila more than 500 miles from the stricken area, but it caused no damage. It was felt all over the southern Philippines and in parts of southern Luzon, the northern island.

The quake was followed by at least 11 aftershocks.

The head of the Philippines meteorological and geophysical services, warned that more aftershocks could be expected as the earth settled down.

Worst hit by the actual shock appears to have been Cotabato City, whose mayor reported that it was isolated by road following the collapse of two bridges. Many buildings were damaged, either by the quake or by fires that broke out.

The National Disaster Coordination Center in Manila said many of those who were killed were asleep when the tidal wave hit the southern coast of Mindanao.

At least 175 bodies were counted along the coast of Zamboanga. Some 30 people were reported dead in Pagadian City, further west, which was also hit by the tidal wave, and Mr. Marcos said in a nationwide broadcast that 100 more may be buried in another Mindanao coastal area.

Pakistan Sees No A-Deal Delay

RAWALPINDI, Pakistan, Aug. 17 (Reuters)—Pakistan does not expect any delay in implementing its agreement with France to buy a nuclear-fuel reprocessing plant for defense and foreign affairs said today.

He said at a press conference here that he did not expect the controversy over the plant to harm Pakistan's relations with the United States.

U.S. Secretary of State Henry Kissinger flew to Pakistan last week expressly to warn Prime Minister Zulfikar Ali Bhutto that he risked a cut-off of U.S. economic and military aid if he went ahead with the \$160-million deal.

He said the deal was a "very important step" in Pakistan's nuclear program and that it was "in the best interests of Pakistan."

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Vietnam Seeking Ties With U.S., Nonaligned Told

COLOMBO, Aug. 17 (AP)—Vietnam said today that it wants to develop economic ties with capitalist countries and normal diplomatic relations with the United States.

Premier Pham Van Dong offered friendship to Washington in a policy statement made to the fifth nonaligned summit conference—Vietnam's first appearance at an international gathering since the end of the Indochina war.

On a day during which North Korea and Panama turned the non-aligned conference into an anti-U.S. forum, the speech by Mr. Dong was one of the most moderate and conciliatory toward the West in general and the United States in particular.

North Korean Premier Pak Sung Chol earlier claimed that the U.S. "imperialists" have an arsenal of 1,000 nuclear weapons

• In Colombo, discussion focuses on shifting goals. Page 2.

and 400,000 troops in South Korea and urged the conference of non-aligned nations to support a U.S. ouster.

The figure of 400,000 U.S. troops is 10 times the number the U.S. government says it has in South Korea. Washington has never given any information on its nuclear weaponry in Korea.

Mr. Pak's demand for the withdrawal of all U.S. forces from Korea was seconded by President Tito of Yugoslavia, at 84 the last surviving founder of the non-aligned movement.

"Unless this danger of war is removed in advance, new war, including nuclear war, may break out again in Korea, which would be expanded to a war of Asian and worldwide scale," Mr. Pak said.

Panamanian leader Omar Torrijos sought the conference's endorsement of his demands to end U.S. control over the Canal Zone.

This Is Credited

Gen. Torrijos told the conference that it was Marshal Tito who dissuaded him from a military attempt to drive the Americans from Panama.

He said that four years ago he told the Yugoslav leader that Panama would fight to gain control of the Canal Zone. But, Gen. Torrijos recalled, Marshal Tito urged him instead to rely on the nonaligned movement to help solve the dispute.

"That is why we are here now, as full members of the nonaligned movement, asking your support for a declaration presented by all member countries from Latin America," Gen. Torrijos said. Panamanian and U.S. negotiators have been working on a new treaty to govern the U.S. presence in Panama.

"The greatest reason for unhappiness in our country is the presence of a colonial enclave located in the heart of our homeland with the pretext of operating the Panama Canal," he declared.

In contrast, the Vietnamese (Continued on Page 2, Col. 1)

Christians Shell Palestinians As Cease-Fire Talks Continue

BEIRUT, Aug. 17 (UPI)—Christian forces shelled Palestinian positions in the rugged country around Amman, 19 miles from the capital, but indicated to launch a full-scale attack while their leaders tried to negotiate a Palestinian withdrawal, leftist and rightist reports said.

A rightist-controlled radio station claimed that Syrian troops had moved up from the eastern Bekaa Valley to take the crossroads town of Hammama, 17 miles from the capital, and cut the leftist supply routes.

But Palestinian spokesmen denied the reports and said the area found the roads still open, and said there was no sign of any combat beyond long-distance shelling by both sides.

Meanwhile, leftist and rightist gunmen fired at each other along Beirut's long confrontation line from the quiet port to the southern suburbs and between the feuding mountain villages of Christian Kahaleh and Moslem Aley.

Heavy Mortar Fire

Sporadic bursts of heavy mortar fire suddenly hit shopping and residential districts, cutting down men, women and children without warning and sending pedestrians sprinting for cover.

A valley of nine shells bracketed the National Radio across the street from United Press International, gouging chunks of concrete and stone out of nearby buildings and sending showers of glass crashing into Hamra Street.

Egyptian Maj. Gen. Mohammed Hassan Ghannouchi, chief of the 2,800 troops of the Arab League force stationed along the city's dividing line and at its long-closed airport, attempted to mediate among Christian and Palestinian leaders for a new cease-fire.

Palestinian chiefs publicly proclaimed that their forces would "never retreat," but sources said agreement on a truce including Palestinian withdrawal from the mountains could come within 48 hours.

"The last thing the Palestinians want now is to open up a new front," a leftist source said. "They took tremendous losses in men and morale in the fall of Tal Zaatar (refugee camp last week). They desperately need a rest."

Blockade Denied

TEL AVIV, Aug. 17 (UPI)—Defense Minister Shimon Peres today denied reports that the Israeli Navy is blockading Lebanese ports.

But Mr. Peres acknowledged to a state radio correspondent that stepped-up naval patrols have been sweeping up and down the Mediterranean coastline to foil possible Arab guerrilla attempts to carry out seaborne raids on Israel.

Reagan Asks Investigation Of Delegate Bribe Charges

ANSAS CITY, Aug. 17 (AP)—Ronald Reagan today urged an investigation into allegations that delegates in both camps had been paid money for themselves or others to switch their votes.

Mr. Reagan told a meeting of Illinois delegates that he had heard of the vote-buying allegations. "I hope there will be a complete investigation," he said. "I don't want this to go on in a campaign. I don't want it to go on in a campaign."

He said that anyone involved with such a scheme would be a "first class criminal" and that he would be "pleased to see" a former Gov. Richard J. Hughes, who said two supporters in his state's party had been offered "some money to switch" to Mr. Reagan, did not identify the delegates.

Second occurred today on TV's "Good Morning" show, where columnist Anderson said an Illinois delegate pledged to Mr. Reagan offered campaign money for a run for Congress if the delegate would switch to Mr. Ford.

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He said the two delegates "were offered a material consideration to change their votes. The fact is that two people were approached—two Ford people were approached."

Danish Premier Presents Plan On Wage Ceiling, New Taxes

OPENHAGEN, Aug. 17 (AP)—Poul Anker Joergensen today presented his economic plan to an agency session of the parliament.

He proposed a two-year wage ceiling increase of 6 per cent. It would be made up of 3 per cent in basic wages and the remainder from automatic increase in line with the price index—something written into most Danish labor contracts. If the price index indicated a higher increase, surplus would be paid by the government into the state pension fund.

He said the plan was to save the government's current financial year ending in April, 2 billion kroner and 1 billion in the next financial year—a total of about \$500 million.

He said plans to collect the 1 billion in increased taxes on cigarettes, liquor, beer, wine, coffee, tea, gasoline, and other items. The registration on new cars would be increased 40 per cent.

Electricity Taxes Due

new tax on electricity and on new energy is expected in October. A modest tax deduction 188 was the only relief promised consumers.

Newspapers estimated that new taxes would cost an average of 10 million kroner between 1976 and 1978.

Mr. Joergensen said it was necessary to reduce the nation's mounting balance-of-payments deficit, now about \$1 billion, and to make Danish industry more competitive in world markets.

He admitted that his plan was supported only by his own Social Democratic party and three other parties. After the defection of the two largest parties, the Liberals and the Conservatives, the plan was insufficient for a majority.

Turkish Leaders Weigh Dispute on Oil With Greeks

ISTANBUL, Aug. 17 (AP)—Turkey's National Security Council met almost five hours today to debate "latest developments" in Turkey's continuing spat with Greece over oil surveying in the Aegean Sea.

The session was chaired by President Fahri Kuvvetli and attended by Premier Suleyman Demirel, Gen. Semah Sancar, chief of the general staff and other top military officers and key ministers. The council meets every month.

At the end of the closed-door meeting, a communiqué said those present were briefed on the activities in the Aegean of the Mining Research Administration's Sismik-1 survey ship.

It said the council also reviewed events in Lebanon.

UN Council Meeting Off

UNITED NATIONS, Aug. 17 (UPI)—The Security Council has postponed a scheduled debate on the Greek-Turkish dispute over oil rights in the Aegean to allow more time for negotiations.

It had planned to meet today, but the situation appeared deadlocked and some of its 15 members were ready to speak or submit a resolution.

Millions Taken at Paris Bank In Theft Like Break-In at Nice

By Jim Hoagland

PARIS, Aug. 17 (UPI)—Thieves tunneled through the wall of a Paris sewer and into a bank vault over the weekend and then escaped with cash and gold in a haul that could be worth millions of dollars, police said today.

Working at a leisurely pace during the French capital's quietest holiday weekend of the year, the thieves accomplished a virtual carbon copy of the \$10-million robbery in mid-July of a bank vault in Nice, duplicating such details as leaving behind empty wine bottles and the blowtorches they used to cut their way into the vault.

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BURGLARY EVIDENCE—Police removing a compressed air tank from a Paris sewer which burglars used as an access route to enter and rifle a bank's vault.

Parisians, and many of its inhabitants may have stored valuables at the bank before leaving for the traditional vacation month of August.

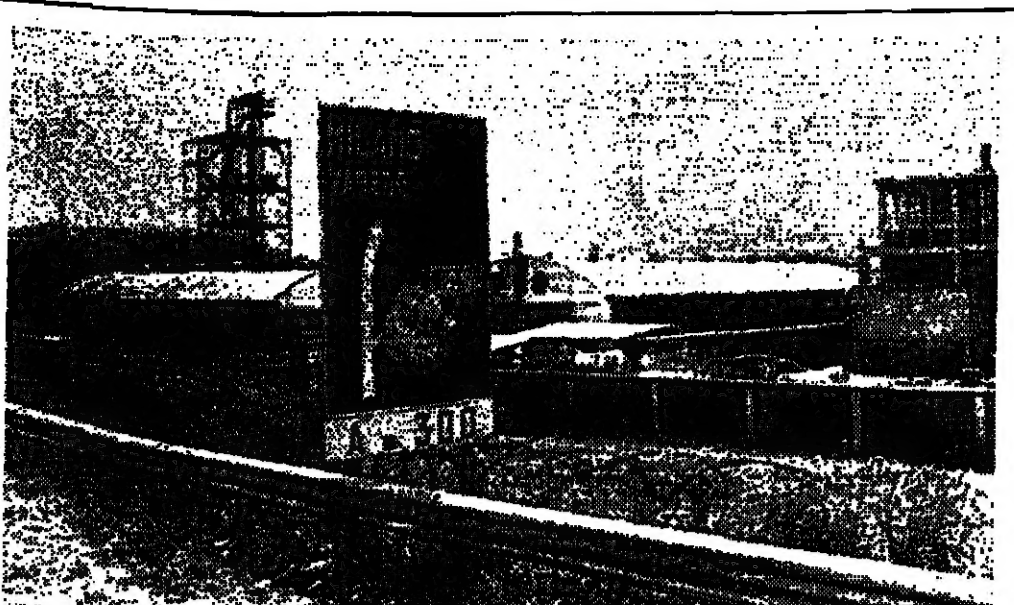
A haul worth between \$2 million and \$5 million would probably be a conservative estimate, according to a banker familiar with similar operations in the city.

The Paris operation was less elaborate than the job in Nice, where the robbers traveled by truck and rubber ducky to reach the breakthrough point in tunneling.

On the Ile Saint-Louis they simply forced open a 260-pound manhole cover. Apparently wearing the blue uniforms of Paris sewer workers, they casually entered the sewers with their blowtorches, drills, air mattresses, a small picnic table and other heavy equipment, donned gas masks and then sloshed their way to a preselected spot.

The bandits then cut a 10-foot-long tunnel into and through the concrete wall of the bank vault and leisurely set about cleaning out the safe-deposit boxes.

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OBLITERATED—The highway doesn't go to Seveso, Italy, anymore; its turnoff and name have been covered up on a sign on a road running by the town that has been evacuated since it was polluted by a poisonous cloud from a defoliant factory.

Time of Transition Seen

Nonaligned Debate Focuses on New Goals

By William Borders

COLOMBO, Aug. 17 (NYT)—As leaders representing two-thirds of the world's nations and one-third of its people began the fifth summit meeting of the world's nonaligned countries here, debate was focused once again on the perennial questions of what the nonaligned movement is all about, and where it is going.

"The nonaligned countries have made a major contribution to the awareness of what international relations should be in a world of true interdependence," said President Tito of Yugoslavia when he arrived here.

Blue banners on the road from the airport proclaim the traditional slogans of the nonaligned movement: "Peace and Alliances Produce Tension and War," "Nonalignment Promotes Peace and Cooperation."

But many of the hundreds of delegates here from 85 countries say they regard this as a time of transition for the 20-year-old movement.

Anti-Colonial Battle

Most of the anti-colonial battle upon which the nonaligned countries used to expend so much verbal ammunition have now been won and the two great power blocs from which they wanted to be nonaligned seem, in the prevailing view here, to be less hostile than they used to be.

"The Cold War has virtually disappeared, and although there is still tension between the great powers, they are increasingly showing a seriousness of purpose in trying to achieve détente," declared a draft communiqué that Sri Lanka, as the host nation, circulated among the delegates.

"The danger of nuclear war continues, but it has diminished," the draft added. "Colonialism is no longer much more than a marginal problem."

Although that document is only a draft, a starting point for the heads of government when they convened in this sweltering seaport's glass and white marble conference hall, it reflected the fact that among many of the nonaligned the emphasis has shifted away from the traditional political aspirations.

New Goal

The new goal is what they call a "new international economic order," by which they mean a narrowing of the gap between the poor nations, most of which are represented here, and the rich nations, most of which are not.

"The world is coming to understand that economic exploitation can continue even after political colonialism ends," said Indian Prime Minister Indira Gandhi.

Mrs. Gandhi's father, Jawaharlal Nehru, was, along with President Tito and President

Gemal Abdel Nasser of Egypt, one of the originators of the nonaligned movement, which he saw as "a moral force."

The movement that he helped to start traces its origin to a conference of 29 Asian and African nations that was held in the Indonesian resort city of Bandung in 1955.

Danger of War

As the big powers watched nervously, after President Dwight Eisenhower, after some discussion of the matter, carefully avoided sending greetings—that conference issued a communiqué deploring "the present state of international tension with its danger of an atomic world war." Thus the nonaligned movement was born.

At the first formal summit, held in Belgrade in 1961, it was agreed that to be allowed to join the nonaligned movement, a nation "should not be a member of a multilateral military alliance concluded in the context of great power conflicts."

This standard, which permits membership to Cuba, North Korea and the new governments of Cambodia and Vietnam, also leads every time there is a non-aligned meeting to disputes about what the delegates call "the criteria issue."

This year, Romania lobbied hard to get in, reportedly with the support of the Yugoslavs. But India, which has considerable leverage in the movement, opposed its admission, and after days of haggling at the foreign ministers level last week, Romania was accorded only the status of an official guest.

Same Status

The same guest status was also granted simultaneously to Portugal. As recently as the last nonaligned summit three years ago, Portugal was the "third world's bete noire, the last major colonial power. But the government in Lisbon has changed since then, and the colonies have gained independence.

Similarly, Australia, which is not nonaligned by anybody's standard, found itself invited as a guest to the foreign ministers' conference that the movement held last year in Lima. The reason, Australians presumed, was that Prime Minister Gough Whitlam had been vigorously wooing the African and Asian nations.

But in the year since the Lima conference, Mr. Whitlam has been replaced as Prime Minister by Malcolm Fraser, who is regarded as more conservative, and so no invitation to this conference was proffered, even though an Australian diplomat stood ready to make the trip if invited.

Nevertheless, Australia and other Western countries, including the United States, are watching the meeting here with great interest and often through the eyes of special observers brought in from their capitals.

A Way Station

In the view of some of these unofficial observers, here and elsewhere, the time has past when neutralism was widely regarded in the West as nothing but a way station on the road to Communism. The assessment, typified by the late U.S. Secretary of State John Foster Dulles's statement that it was "an immoral and shortsighted conception."

But mutual suspicion lingers, much of it related to the fact that colonialism has always been one of the movement's main targets, and the colonial powers were Western. Fully one-half the countries participating in the Colombo summit were once colonies or protectorates of either Britain or France.

Now, however, the delegates talk of other kinds of Western colonialism. For example, a proposal for a Third World news agency pool to provide international news that has not been sifted through editors in New York or London has already gained wide support.

So have proposals for denunciations of Israel, and for declaring the Indian Ocean a "zone of peace," a declaration prompted by the U.S. plan to build a naval installation on the island of Diego Garcia.

Spain Reform Is Threatened By Socialists

Party Asks Elections Before New Charter

MADRID, Aug. 17 (UPI)—The powerful Socialist Workers party today threatened to wreck the government's plans for political reform by announcing it will boycott the promised general elections unless they are for an assembly that will write a new democratic constitution.

The government has announced a step-by-step program of political reform. It has promised general elections for a new Cortes (parliament) for the first half of next year—once the reforms and constitutional changes are completed.

Felipe Gonzalez, secretary-general of the Socialist Workers party, which is generally considered Spain's potentially largest opposition party, said today the process must be reversed—elections first, and changes in the Constitution later.

"My party will only participate in elections if they are for a constitutional assembly," he told the national news agency Cifra.

Free, Secret

He said the elections for such an assembly must be free and secret, and based on a new electoral law that must be worked out between the government and the opposition.

If the Socialist Workers party boycotts the elections, most other democratic parties are likely to follow the example, opposition sources said, and the elections would have little meaning.

Mr. Gonzalez's statement came as a surprise. He had met with Premier Adolfo Suarez for a three-hour private talk last week on Spain's democratic future, and both sides had indicated that there was basic agreement between them, even though they still differed on details.

An idea that has been gaining support is that Spain's democratic transition should be based on the basis of a program negotiated between the government and the opposition.

Cifra, meanwhile, reported that the main opposition parties—the Christian Democrats, Socialists and Communists—were holding talks to present Mr. Suarez with their alternative to the government's program for democratization. The draft was expected to be ready early next month.

Three influential political figures met in the northwestern town of Santiago de Compostela today to discuss the formation of a new middle-of-the-road party and joint political action.

They were former Foreign Minister Jose Maria de Arellano, former Interior Minister Manuel Fraga Iribarne—the two leading reformers in the government that was replaced a month ago by the Suarez Cabinet—and Pio Cabanillas, a former information minister whom the late Generalissimo Francisco Franco fired in 1974 for trying to free the press from censorship.

Mozambique Ups Raid Toll to 800

DAR ES SALAAM, Aug. 17 (Reuters)—Rhodesian troops killed up to 1,000 people in their raid on a refugee camp inside Mozambique last week, the official Mozambique News Agency said today.

"At least 870 were slaughtered in the attack," the agency reported. "Medical staff on the scene believe the total death toll is at least 800 and may well reach 1,000."

In a report sent to news organizations in Dar es Salaam, the Mozambique Information Agency said the Rhodesians struck the refugee camp at Nhamitanga, in Manica Province, where more than 8,000 refugees from Rhodesia were staying.

U.K. Denies U.S. Seeks Radio Site

LONDON, Aug. 17 (Reuters)—A Foreign Office spokesman yesterday denied a London newspaper report that the U.S. government has asked for permission to build a new radio station in the country "newspapers" propaganda to Eastern Europe.

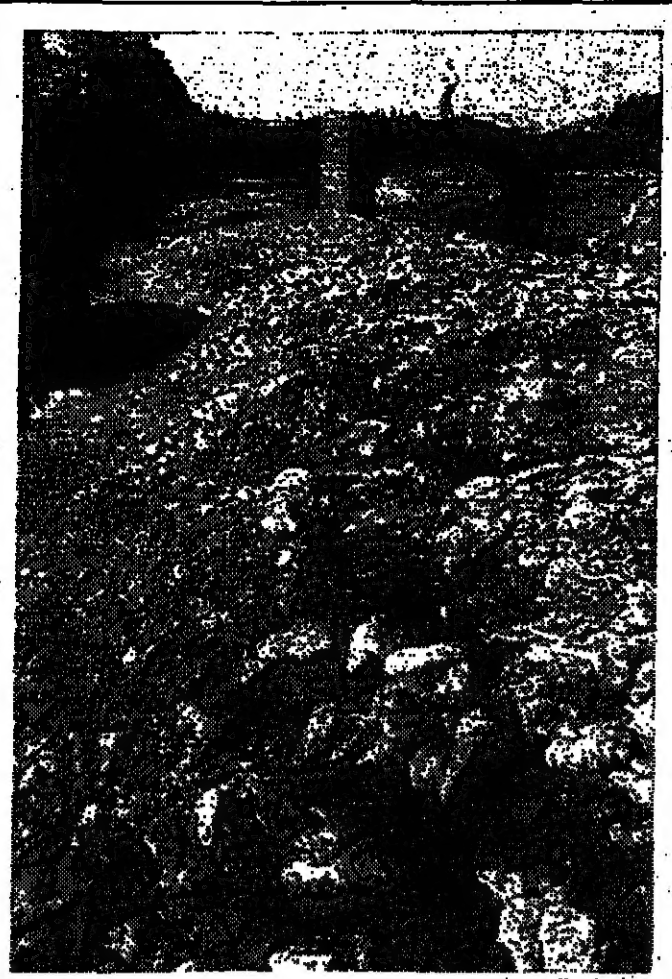
The report said that the United States apparently intended to close down a similar station outside Madrid in hopes of keeping relations "sweet with the new regime in Spain."

The British spokesman, asked to comment on the report, said: "The U.S. government has not made any request for facilities in the United Kingdom."

Egyptians Arrest 3 In June Bombing

CAIRO, Aug. 17 (Reuters)—Security police have arrested three alleged Libyan agents suspected of plotting explosives in a train and at a bus station last June, the official Egyptian Middle East News Agency reported today.

The agency said the three men confessed they had been recruited by Libyan intelligence and trained at a camp in Tobruk, near the Egyptian border.



EMERGED—A stone bridge, under water for decades, is again high and dry after the water level in a reservoir in Wales was drawn down during drought.

All 10 British Water Authorities Have Asked for Rationing Power

LONDON, Aug. 17 (UPI)—Weathermen see no end in sight for Britain's worst drought in 250 years and all 10 water authorities in England and Wales have applied for powers to ration water.

Above-average sunshine and below-average rainfall, a familiar pattern during the last 13 months, is the prospect for the next four weeks, weather forecasts said yesterday.

Three water authorities in the driest areas, Yorkshire, Wales and southwestern England, are planning to implement the Emergency Drought Act rushed through Parliament that enables them to cut off water supplies to homes and factories at any time.

The country's other water boards plan to ban the use of water for gardens, parks, sports fields, fountains and car washes.

Agriculture Minister Fred Peart bemoaned stricken farmlands yesterday and warned of higher prices in the shops. Vegetables already cost almost twice as much as they did 12 months ago. Cereal crop harvests are about one-third below last year's and pastures in southern England have been eaten bare. Farmers are feeding hay or artificial foods to cattle.

Franco's Palace-Museum Signals Changes in Spain

By Henry Ginger

EL PARDO, Spain, Aug. 17 (NYT)—This quiet town, 10 miles northwest of Madrid, was for more than 35 years the center of political power in Spain. A cream-colored, 18th-century palace was occupied by Generalissimo Francisco Franco and his family from March, 1940, until he died last November, and at the beginning of this month, on orders of King Juan Carlos, it was opened to the public as a museum.

The transformation of the palace was another step in the gradual dismantling of Gen. Franco's legacy. The museum, which was opened to the public last September, is a landmark in the Valley of the Fallen, a monument Gen. Franco had built to his civil war dead. The general is buried in a vault behind the main altar of the somber church and on weekends, especially, there is a steady stream of visitors.

The other major pole of attraction for Gen. Franco's followers in his burial place 40 miles from Madrid, in the basilica of the Valley of the Fallen, a monument Gen. Franco had built to his civil war dead. The general is buried in a vault behind the main altar of the somber church and on weekends, especially, there is a steady stream of visitors.

A group of diehard followers are promoting a foundation through public subscription to keep alive his memory and political legacy, and they are believed to have received substantial support from the thousands of Spaniards who have not yet accommodated themselves to new times.

In El Pardo, an average of 1,500 people a day, mostly middle-class and middle-aged, are paying 15 cents each to file through the richly furnished, tapestried rooms where they can see how their late leader lived and worked.

His Only Goal

In the entrance hall they are informed by an inscription on a wall that "For almost four decades, the leader worked tirelessly for the peace, well-being, prosperity and enhancement of the fatherland, having as the only goal of his life the best service to Spain."

They can buy souvenir postcards and "The Political Thoughts of Franco" in two volumes. The crowds are led through 33 rooms which, according to the guide, a former palace guard who now accepts tips, have been kept in their original state with one major exception. The closets of Gen. Franco's bedroom have been made into lighted display cases for 10 of his uniforms.

The office, where the guide says, about 70,000 people were received over the years, has pictures of President Dwight Eisenhower, Pope John XXIII and Marcello Caetano, the Portuguese premier who was overthrown in 1974.

In a room decorated with Goya tapestries, a glass case contains Gen. Franco's death mask and casts of his hands.

Tuned In the World

In the music room, there is a powerful shortwave radio that Gen. Franco used to tune in the world, because he seldom ventured out of Spain and received comparatively few foreign heads of state.

None of the rooms is imposing

News Analysis

South Africans Debate Riots: Plot or Spontaneous Eruption?

By John F. Burns

JOHANNESBURG, Aug. 17 (NYT)—On June 16, 10,000 black students staged a protest march in the black township of Soweto, ran into a police cordon. The students jeered, stones were thrown and a policeman opened fire, killing Hector Pieterson, a 13-year-old, in a school blazer.

In the nine weeks since, confrontations between police and demonstrators have erupted in at least 70 black townships across the four provinces of South Africa. From Pieterburg in the north to Cape Town in the south, the death toll stands at 219.

Was it an organized insurrection, coordinated by Communist-inspired "agitators" as the government insists? Or a spontaneous eruption of black anger against apartheid, as leaders of the demonstrators say? The evidence provides no clear-cut answer but suggests that both elements have been present to some degree.

Since the second round of disturbances broke out in Soweto on Aug. 4, proponents of the two theories, perhaps unwittingly, seem to have reached something like a synthesis of views. However, they continue to be sharply divided as to what the government should do.

Pattern Discerned

While liberals initially inclined to see the government cries of "plot" as a smokescreen, have discerned a pattern in the unrest that suggests coordination. But they insist that activists only lighted the tinder of black grievances that had gone unattended for too long.

Minister of Justice James Kruger, the principal exponent of the plot theory, is addressing a congress of the governing Nationalist party in Durban over the weekend, pressed for concessions to blacks and contended that such measures would cut the ground from under the agitators.

"It remains a fact," he said, "that a happy person cannot be a Communist."

When they moved from diagnosis to prescription, however, the government and its critics diverged sharply. Several newspapers lent their support to suggestions that the government release some of the "agitators" it is holding—including Nelson Mandela, a prominent leader of the blacks who was jailed 14 years ago—and negotiate a fundamentally new governing structure with them.

But speeches by several ministers at the party congress suggested that the government, fresh from extensive Cabinet sessions in Pretoria, had concluded that the heat could be taken out of the situation by making adjustments in apartheid—extending home ownership in the black townships, for example, while cracking down even harder on the suspected instigators.

More Detained

"Those who want a confrontation will get one," Mr. Kruger said. As he spoke, the security police were detaining additional black leaders, bringing the total of those held without trial since the start of the upheaval to about 75.

The estimate is unofficial. However, the known detainees—as distinct from rioters charged with common-law offenses, who total over 1,500—include prominent figures from almost every black protest group. Among them are

churchmen, professors, students and housewives.

The English-speaking press continues to challenge Mr. Kruger to bring charges against those held, to hear out his allegation that the incident in the township was carried out by "different branches of the same organization." But the justice minister has insisted that an official inquiry into the disturbances, headed by a judge, will settle the issue of responsibility to everyone's satisfaction.

Critics suggest privately that the latest arrests betray a measure of desperation in the government. They theorize that Mr. Kruger, finding the unrest continuing, ordered the security forces to go on a "fishing expedition" in the hope that new deductions would find the source of the trouble.

This view proceeds from the assumption, widely held in liberal circles, that the security police, with a reputation for ruthless efficiency, suffered a major intelligence breakdown before the disturbances. A suggestion of this was contained in Mr. Kruger's assurance to a party dinner two months before Soweto exploded, that there was no risk whatsoever of a major insurrection in the townships.

Unless the government produces hard evidence against Winnie Mandela, the wife of Mr. Mandela, the theory that it is striking out blindly is likely to be strengthened by her arrest last week. She is an executive member of the Black Parents Association, a newly formed group based in Soweto.

"Winnie is no conspirator," one of her associates said after the arrest. "Even if she wanted to participate in some sort of 'plot,' which she didn't, she could be certain that she would be under constant surveillance." Mrs. Mandela has already served more than a year in detention under the Suppression of Communism Act.

In the absence of indictments, there is little but circumstantial evidence to support the government's charges of conspiracy. Mr. Kruger has cited the frequent use of "black power" gestures by demonstrators as evidence that "black consciousness" groups have been involved—principally the South African Students Organization, a university group, the South African Students Movement, its high school counterpart, and their umbrella group, the Black Peoples Convention.

Tanaka Freed After Judge Grants Bail

TOKYO, Aug. 17 (NYT)—Kakuei Tanaka, the former premier accused of accepting a \$18-million bribe from the Lockheed Aircraft Corp., was released on bail here today.

A curious nation watched on television as the steel bars of the main Kojima Prison gate slowly swung open to permit Mr. Tanaka's limousine to ease its way out through crowds of spectators.

Mr. Tanaka, 68, has resigned the leadership of his legislative faction and withdrawn his membership from the governing Liberal Democratic party.

He is accused of violating foreign-exchange regulations and of accepting bribe money from Lockheed representatives to arrange the purchase of Trident jets by All Nippon Airways. He faces a possible 1 1/2-year jail term and a multimillion-dollar fine.

May Face Taxation

Tax authorities said today they were investigating the possibility of taxing Mr. Tanaka for the Lockheed money, which he claims was a political donation.

After overnight deliberation, the chief justice of the Tokyo district court had granted bail and this afternoon, Mr. Tanaka's lawyer deposited 200 million yen (\$800,000) in bail.

Four other men charged with offenses in the scandal were released on bail today. They were Toshio Sonotomo, 50, Mr. Tanaka's secretary; Hisayori Aoki, 48, chief accountant of All Nippon Airways; and Hiroshi Hiyama, 66, and Toshiharu Okubo, 62, former executives of the Aikawa Trading Corp. who allegedly paid the bribe to Mr. Tanaka in 1973 and 1974.

Five other men remain in jail for questioning as the investigation continues into the \$12.6 million Lockheed says it paid in fees, commissions and bribes in Japan.

Mr. Tanaka, who is a millionaire, will remain free throughout what is expected to be a long series of trials and appeals, unless he is re-arrested on a new charge or violates provisions of his bail.

Because he remains a member of the Diet's lower house, Mr. Tanaka may still attend to the legislative business of representing his district.

According to the judge's rules, he may not meet with any others involved in the Lockheed case. In addition, if he wishes to be absent from his home for any time longer than an overnight trip, he must first seek the permission of the court.

Italy Police Hunt Poisoned Drinks

BOLZANO, Italy, Aug. 17 (Reuters)—Police in this town in northern Italy are searching for three bottles of a West German liquor said to have been laced with deadly strychnine. They fear that the bottles may have been sold at supermarkets.

Police said that a 40-year-old man confessed that he had put the poison in seven bottles of liquor in an extortion attempt against the drink's importer. The suspect, Jacob Asan, is in custody, accused of trying to extort money with menaces and threatening the life of the importer's son.

Police found three of the bottles at two Bolzano supermarkets, then traced another, but they are seeking the three others.

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JPL/101/50

The War in Rhodesia

The guerrilla war in Rhodesia is now widening, as everybody but the Rhodesian government has been predicting for the past year. Rhodesia is sliding rapidly toward the ugliest kind of disaster, with every attempt at intervention blocked by the obduracy of that government. Last week, Rhodesian troops plunged across the border into Mozambique. If you've been left with the impression that this foray demonstrated Rhodesia's strength and its tight control of the borders, you've missed the point of what's going on.

Rhodesia's border with Mozambique is 700 miles long. Rhodesia's regular armed forces number 5,000 men, supplemented by perhaps 10,000 territorialists. Recently guerrillas have also been operating inside Rhodesia's border with Zambia. The highly trained and heavily armed regulars, led by whites and based in the cities, retaliate against the very mobile forces of black nationalists, who are still staying pretty much to the rural countryside. It is a pattern that the world has repeatedly seen. If the affair is left to the combatants, there is not much doubt how it will end.

But each of the successive ventures in peacekeeping has hit the same rock. The nationalists want majority rule, a goal that neither the United States nor any other democracy can help but applaud. Ninety-six per cent of Rhodesia's people are black. The present government rejects any formula that, now or in the future, might jeopardize political control by the 4 per cent who are white. Just a year ago, the white prime minister of South Africa and the black president of Zambia jointly attempted to persuade Ian Smith, Rhodesia's Prime Minister, to negotiate with a broadly representative group of black leaders. That effort collapsed over Mr. Smith's refusal to let the exiled members of the African National Council into his country to join the parley. Instead, he turned to discussions with the more conservative black leadership inside Rhodesia. Those negotiations in turn collapsed last March.

Mr. Smith appealed for support to Britain, to whose empire Rhodesia had belonged. Britain replied that it would extend diplomatic and economic aid only on condition that Rhodesia move to majority rule within two years. James Callaghan, then Britain's foreign secretary and now its prime minister, observed that Mr. Smith was "leading his country on the path of death and destruction." The following month Secretary of

State Henry Kissinger, touring Africa, endorsed the British position. "The combat will have to be ended by negotiations," he said. "The more rapidly that takes place, the more lives will be saved."

There has been rising concern both in the United States and in Africa that foreign powers—specifically, the Russians and the Cubans—would take a hand, as they did in Angola. At the UN last month, Ambassador William Scranton said the United States would not help the guerrillas, but neither would it intervene against them. The means by which they pursue majority rule in Rhodesia, he declared, are up to them. Two weeks later, Mr. Smith rejected the recommendations of a racial commission that he had set up; one recommendation was the blending of the separate black and white voters' lists.

The immovable stubbornness of Mr. Smith's government, and white Rhodesians' blindness to its consequences, no doubt has many explanations. The white population is only 275,000. But they are spread over an area as large as Pennsylvania, Maryland, Virginia and North Carolina put together. Most dissenters have long since left. The whites who remain live in a condition of closed-minded isolation that their own system of severe censorship aggravates.

Last Friday, South Africa explicitly stated its support for Mr. Kissinger's attempts to negotiate "a peaceful outcome" in Rhodesia. The South Africans, vulnerable on the same issue, avoided any endorsement of majority rule ("It is not for us to adopt a position"). But this declaration is a useful attempt to persuade the Rhodesians that, in the looming crisis, they cannot expect to be rescued by their neighbors to the south.

For white Rhodesians, there are now only two choices. They can transfer power voluntarily to the majority, in exchange for certain guarantees of individual rights and property. White Rhodesians point to the risk that the new government would not live up to those guarantees; that risk exists, and it grows greater with every day of fighting. Alternatively, the white Rhodesians can persist in their present course. It leads nowhere but to greater bloodshed and, ultimately, collapse. They do not have the power or the inspiration to avoid it. They have only the power to prolong it, to raise the death toll and to increase the bitterness and hostility among the people who will eventually win.

THE WASHINGTON POST.

Foreign Banks in the U.S.

In attempting to equalize competition between U.S. and foreign banks operating in the United States, a bill recently passed by the House of Representatives could provoke reprisals on U.S. banks operating overseas. The issue for the Senate to consider is whether a seemingly tidy administrative reform might stir up more problems than it solves.

Foreign bank operations in the United States have grown at a spectacular rate over the past decade; 74 foreign banks operate 181 U.S. offices. Their net assets total \$41 billion, compared with less than \$7 billion 10 years ago.

These banks enjoy very real regulatory advantages, including the right to provide full banking services in more than one state and investment facilities denied to U.S. banks. The International Banking Act of 1976 would enforce federal supervision—as opposed to the present state regulation—over foreign banks, restrict their interstate branching and securities business and require maintenance of reserves against their deposits, with the Federal Reserve system.

The other side of the picture, however, is the far greater growth of U.S. banking activity abroad. Some 125 U.S. banks operate 750 foreign offices, with total assets of about \$180 billion. These banks are allowed a wider degree of latitude in their financial

operations than under domestic regulation, consistent with the more relaxed banking practices in other countries.

The fear of these banks, which include the largest financing institutions for multinational trade, is that any move to restrict the foreign banks here would invite retaliation from foreign governments—the West German Banking Federation has already uttered guarded threats toward that end. Trade investment and capital flows could suffer in the process, without significant compensating benefit. It is the smaller U.S. banks which favor the equalizing legislation—yet, as a practical matter, few of the foreign banks engage in the type of retail business which is the smaller banks' mainstay.

Many of the issues raised in this bill relate more broadly to controversies about the domestic banking system—federal versus state regulation, interstate operations and broader investment activities. A complete overhaul of the crazy-quilt regulatory system over the U.S. banking structure has been under study for more than a year, led by the House Banking Committee. A careful weighing of the priorities in this complex effort has yet to demonstrate that a partial—and potentially provocative—reform of foreign banking regulation is necessarily the best place to start.

THE NEW YORK TIMES.

International Opinion

Kansas City Dogfight

At Kansas City, the Republicans are trying to choose a candidate to put up against Jimmy Carter in the fight for the American presidency in November. Carter, who has captured the whole of a united Democratic party—with what even now looks oddly like a slight of hand—is sitting pretty. The polls all forecast a victory for him against either of the two main Republican contenders, President Ford and ex-Gov. of California Ronald Reagan. They give the President a slight edge over Reagan in such a contest. By all the normal laws of politics, which are concerned with getting and holding power, one would expect the Kansas City convention to nominate Ford, as the man

likely to do least badly against Carter. Yet the two are running neck and neck.

Why this fissure in the soul of the Republican party? It is rare for an incumbent President to be challenged as his party's candidate, rarer still for the challenge to succeed (only four times in the whole of U.S. history, and in three of those cases the usurper was defeated in the subsequent election).—There are three main reasons. Mr. Ford was never elected, either as vice-president or as president. This effectively removes much of the aura. More important, he can be linked with former President Nixon. Thirdly, though a conservative, he is a moderate man.

—From the Daily Telegraph.

In the International Edition

Seventy-Five Years Ago

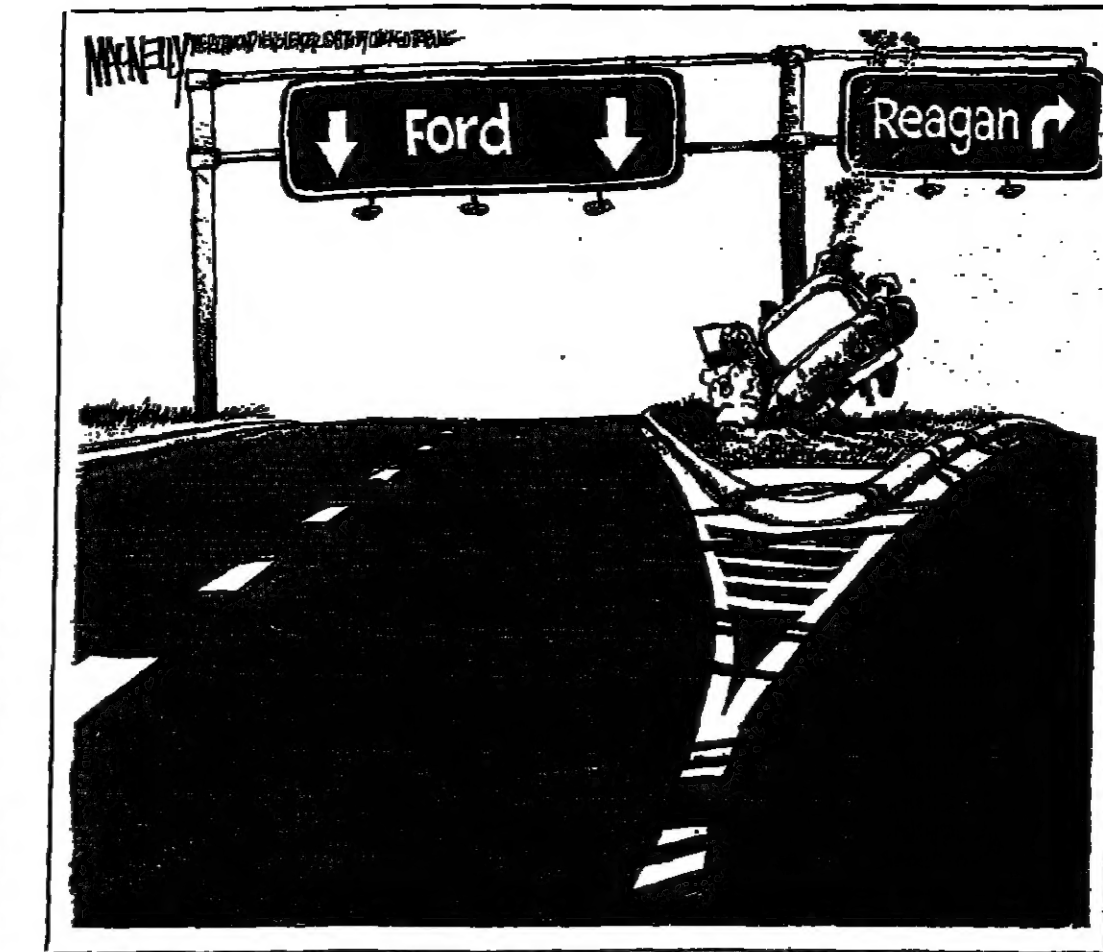
August 13, 1901

NEW YORK.—It is a truism to say that the development of every great mechanical invention has been marked by imperfections and mishaps, and that smoothness and certainty of operation come only with time. Mr. Santos-Dumont is having the inevitable hitches that bedevil inventors in his ethereal journey, but there is no longer any doubt that he has succeeded in constructing an airship that can be steered.

Fifty Years Ago

August 13, 1926

NEW YORK.—The danger of war in the Pacific as a result of possible Japanese aggression has been discounted by American experts on the Far East. Japan's economic weakness and material dependence on the United States makes war between the two countries unlikely, it is said. In its foreign policy, the experts conclude, Japan is seeking to realize its national ambitions by peaceful means, eschewing military force.



Ford: 'Safest' and 'Sorriest'

By David S. Broder

KANSAS CITY.—Gerald Ford is a man of expansive personality, with a restricted vision of the future. He is a man inclined to take negative actions for positive reasons. He is a gregarious soul, who is frustrated and hobbled by his inability to communicate more than generalized goodwill.

He is at once the "safest" recent president the United States has had, in constitutional terms, and the "sorriest" in the exercise of leadership skills.

These contradictions—more than the caricatured physical awkwardness—explain why Mr. Ford stumbled so often in his fight for his party's nomination and why the odds are so heavily against his regaining his footing should he be sent forth from here to contest Jimmy Carter.

Friends Despair

The President's best friends—and it is characteristic of Jerry Ford that there are hundreds who fit the description in this convention city—sometimes despair of finding ways to convey what they see as his essential strengths.

A case in point is the famous pardon of predecessor Richard Nixon. Those who have talked with Mr. Ford about it—indeed, some Cabinet members who personally opposed the action—are convinced his motive was positive. "He really thought it was time to put that behind us and clear the country's consciousness for the tasks ahead," said one man who has heard the President's private explanations of his act.

But to many citizens, the act was essentially negative—a payoff on a supposed deal for the presidency, or a premature bid to a justified prosecution.

The same contradiction arises with the President's 51 vetoes. He and his friends see them

as the centerpiece of a strategy that has disciplined the federal budget and helped bring the economy out of a severe recession.

But Jimmy Carter calls them symbols of "negative government" which "cause human suffering and don't help our economy." And the same voters who tell pollsters they oppose his government say they prefer Carter to Mr. Ford by a landslide margin.

There have been some Ford actions which were inherently mistaken and objectionable—his untimely advocacy of a tax increase at the outset of the recession, his veto of a carefully negotiated strip mine bill. But more often, the criticism of the President has arisen, not from the act itself, but from the context in which it is seen. There has been no framework of policy, no articulated philosophy, that has given shape or coherence to the President's deeds.

So his leadership has seemed erratic, spasmodic, and often reactive—the opposite of what people hope for from a president. To a greater extent than is realized, this sense of Mr. Ford's deficiencies—rather than challenger Ronald Reagan's strengths—was what made the delegates to this convention so reluctant to endorse his nomination. Delegates, like voters, kept looking for something that is not there.

"The White House staff draws much of the criticism for the failure to 'project' Mr. Ford to the public in a presidential light. The staff inadequacies are real, but the fault lies in the central figure."

What motivates and energizes a staff and an administration is a President who has a vision of where he is going and a strategy for achieving his goals. Mr. Ford works very hard, but he often seems to be running in place.

His energy and the superior resources of the incumbency equipped him to wear down Reagan's opposition. But waiting for the Republican nominee is Jimmy Carter, a hard worker like Mr. Ford, who has no trouble at all defining his goal. Carter wants, very badly, to be president.

Carter's Drive

The first challenge Mr. Ford would face in a general election campaign is to exploit the latent fears of Carter's power drive. The one thing this country—scarred by its experiences with Lyndon Johnson and Richard Nixon—knows is that Jerry Ford is not one who will bend the whole governmental-political system out of shape in order to have his way. The Constitution is safe in his hands.

He is also a fellow who has not made, and is unlikely to make, the ultimately treacherable mistake in domestic or foreign affairs. He's not that headstrong or heedless of advice.

These are modest virtues in a president, but they are genuinely characteristic of Gerald Ford. The slogan of his campaign might be, "You could do worse."

U.S. Arms Sales and Nuclear Push

By Richard Burt

LONDON.—Secretary of State Henry Kissinger's recent visit to Pakistan has served to highlight the uncertain link in U.S. foreign policy between the sale of conventional arms and the new concern over the dangers of nuclear proliferation.

In talks with President Bhutto, Kissinger is said to have used U.S. military assistance as a lever to dissuade Pakistan from purchasing sensitive nuclear reprocessing technology from France. In exerting this pressure, Kissinger said afterward, he was merely putting into operation a key provision of the new military sales act that calls on the government to halt military and economic aid to nations that receive nuclear technology without appropriate international safeguards.

As the reaction in Paris to the Kissinger maneuver indicates, the provision, which was sponsored by Sen. Stuart Symington, D-Mo., is sure to create frictions with nuclear-exporting allies of the United States. But far more troubling questions are raised by the possible impact this policy could have on the intentions of such would-be nuclear powers as Pakistan.

Pragmatic Means

On the surface, the Symington provision appears to be a pragmatic means of exercising influence over a client that is actively considering the acquisition of nuclear weapons. This seems especially true when it is borne in mind that some conventional equipment, like advanced aircraft, can be easily converted for nuclear delivery.

At the same time, U.S. arms supplies are seen by several states as an indispensable component of their security. Thus, it can equally be argued that a strategy of withholding conventional arms from would-be nuclear powers is likely to increase, rather than decrease, incentives for going nuclear.

It is clear, then, that a careful study of the relationship between conventional arms transfers and nuclear proliferation needs to be undertaken before the Symington provision is widely applied. In making this examination, two particular factors should be borne in mind:

Everybody's List

The first is that whether Washington likes it or not, the defense requirements of many non-nuclear states are growing. This is not only the result, as many observers are fond of maintaining, of the influx of new arms into volatile regions like the Middle East or southern Africa; it is also the product of an ex-

Role in Coalition Marxist Road to Rome

By C. L. Sulzberger

ATLANTA.—The Italian people, whose wide variety of genius has never included a talent for self-government since old Roman days, have now devised an extraordinary ruse to help their nation out of its terrible crisis. This is no less than the formation of a government which excludes the Communist party from all its ministries but which depends wholly upon at least tacit Communist support to get anything at all done.

Only with the backing of those they openly distrust can the Christian Democrats succeed in climbing out of an abyss of inflation, unemployment, corruption, maladministration and social unrest. Premier Giulio Andreotti is thus in the peculiar position of holding the Communists away while implementing an emergency plan of such a nature that he can count on those same Communists to support it.

The Communists have not only escaped from the political ghetto in which the Christian Democrats had for so long sought to pen them, but they have already obtained enormous provincial and municipal power as well as national and parliamentary influence.

Lead 7 Committees

One of their members is president of the lower house; seven committees in the Senate and Chamber of Deputies have Communist chairmen. But, excluded from a Cabinet relying on their support, they will get credit for its successes while escaping blame for its failures.

Over a period of 30 years the Communists have improved their electoral position by moving steadily upward from 13.5 per cent of the vote to 34.4 per cent last June while the Christian Democrats slid from a high of 48.5 per cent in 1948 to 33.7 per cent this year.

Kurdo Berlinguer, the brilliant party leader, has been saying for months: "The Communist question can no longer be avoided. The Italy of today cannot be governed without the Italian Communist party." It seems inevitable that some of Berlinguer's followers will eventually be given at least secondary posts in a coalition government based upon Berlinguer's famous formula, the "historic compromise."

Sharp Division

Such a compromise, as he sees it, would unite all (except neo-Fascist) political factions in a "national" government, avoiding an open clash between right-wing and left-wing forces or the kind of left-alliance Cabinet that would surely split Italy into two

warring camps and very likely repeat the Chilean tragedy.

There is sharp division among Western leaders about the consequences of such an inclusive coalition government. Many agree with Alexander Solzhenitsyn, who told me during the course of a very lengthy conversation that he was convinced Italy's Communists would be the Soviet Union's and this "is pre-dictable in any and all Communist revolutions: One thing is said before gaining power and another thing is done afterward. 'Before the [Soviet] revolution' Lenin made many, many promises. He promised freedom of movement for everyone, an absence of censorship, peasant ownership of land, direct workers' control of industry." Solzhenitsyn stresses that not a single one of these pledges was honored, and concluded:

"The West deserves itself by thinking that this dictatorship stems from Russia's own past and that therefore the West is immune to the disease because its own heritage is different... I don't believe the statements of the French or Italian Communist party concerning their intentions. One must not forget that Lenin himself always used golden words before coming to power. But once he came to power he showed that he had a well-organized dictatorship run by an iron fist."

I have boundless admiration for Solzhenitsyn's geological courage and immense respect for his literary gifts, but I think that because of his suffering and his experience only with the Soviet form of Communism his views are over-simplified.

NATO Issue

Personally, I have been impressed in long talks with Berlinguer, and it seems to me he is being logical when he insists his party wishes at present to continue Italy's membership in NATO. Why is this logical, since NATO is patently a protective alliance aimed at only one principal adversary, the Communist Soviet Union?

The reason is that Berlinguer not only believes in developing a different form of Socialism—with democratic guarantees—in his country but also recognizes the very real possibility of a Soviet or pro-Soviet push in neighboring Yugoslavia some time after Tito's death.

And Berlinguer, in 1975, just like Tito in 1948, doesn't fancy the idea of a Soviet or Soviet-puppet neighbor for the independent Italy whose independence future he now, in one or another way, is helping to plan.

JPL/cio/LSO

any U.S. States Are Seeking Reimpose Death Penalty

By John P. MacKenzie

WASHINGTON, Aug. 17 (UPI).—Seventeen days after the Supreme Court knocked down Oklahoma's death-penalty law, the state had a new one. Massachusetts legislators are completing a new law just a few days after the high court's ruling. Louisiana is moving swiftly to a new law next year.

Thus it appears likely that by this time next year, the lineup of states authorizing executions will be roughly the same—as it was before the Supreme Court acted.

"Outcry" Expected

Deborah Levy, director of the American Civil Liberties Union's death-penalty project and a coordinator of the new coalition, said abolitionists expect heightened emotions on the issue in coming months to serve as a catalyst for organizing efforts as executions become imminent. "We expect a great outcry from the American people if the executions begin," she said.

Some prosecutors disagree. Iowa Attorney General Richard Turner said he considers the death penalty a healthy thing because it gives expression to the pent-up anger of people.

"Society is entitled to revenge, pure and simple," he said. "It's for society's own good and well-being. It has a cleansing effect."

There is pressure to reinstate Iowa's law, abolished in 1965. In California, the National Association for the Advancement of Colored People's Legal Defense Fund argues that the state death-penalty law runs afoul of Supreme Court guidelines because the jury is given only aggravating factors, and no mitigating factors, to consider in deciding between death and life imprisonment.

Texas has a similar law, which the high court approved after finding that state court interpretations allowed juries to weigh mitigating factors after all. A showdown in the California Supreme Court is scheduled for the fall, with the fate of 56 condemned inmates in the balance.

Other states where death-penalty laws are unconstitutional or in serious doubt include Delaware, Idaho, Indiana, Maryland, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, Rhode Island, South Carolina, Tennessee, Virginia, Washington and Wyoming.

Only one federal crime, aircraft piracy where death results, is covered by a death-penalty provision. This law, passed in 1974, is considered unconstitutional by most lawyers.

In the other hand, in Hawaii, where capital punishment was abolished in 1957, public anger over recent murders could lead

to a new law next year. Thus it appears likely that by this time next year, the lineup of states authorizing executions will be roughly the same—as it was before the Supreme Court acted.

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Deborah Levy, director of the American Civil Liberties Union's death-penalty project and a coordinator of the new coalition, said abolitionists expect heightened emotions on the issue in coming months to serve as a catalyst for organizing efforts as executions become imminent. "We expect a great outcry from the American people if the executions begin," she said.

Some prosecutors disagree. Iowa Attorney General Richard Turner said he considers the death penalty a healthy thing because it gives expression to the pent-up anger of people.

"Society is entitled to revenge, pure and simple," he said. "It's for society's own good and well-being. It has a cleansing effect."

There is pressure to reinstate Iowa's law, abolished in 1965. In California, the National Association for the Advancement of Colored People's Legal Defense Fund argues that the state death-penalty law runs afoul of Supreme Court guidelines because the jury is given only aggravating factors, and no mitigating factors, to consider in deciding between death and life imprisonment.

Texas has a similar law, which the high court approved after finding that state court interpretations allowed juries to weigh mitigating factors after all. A showdown in the California Supreme Court is scheduled for the fall, with the fate of 56 condemned inmates in the balance.

Other states where death-penalty laws are unconstitutional or in serious doubt include Delaware, Idaho, Indiana, Maryland, Mississippi, Missouri, Nevada, New Hampshire, New Mexico, New York, Rhode Island, South Carolina, Tennessee, Virginia, Washington and Wyoming.

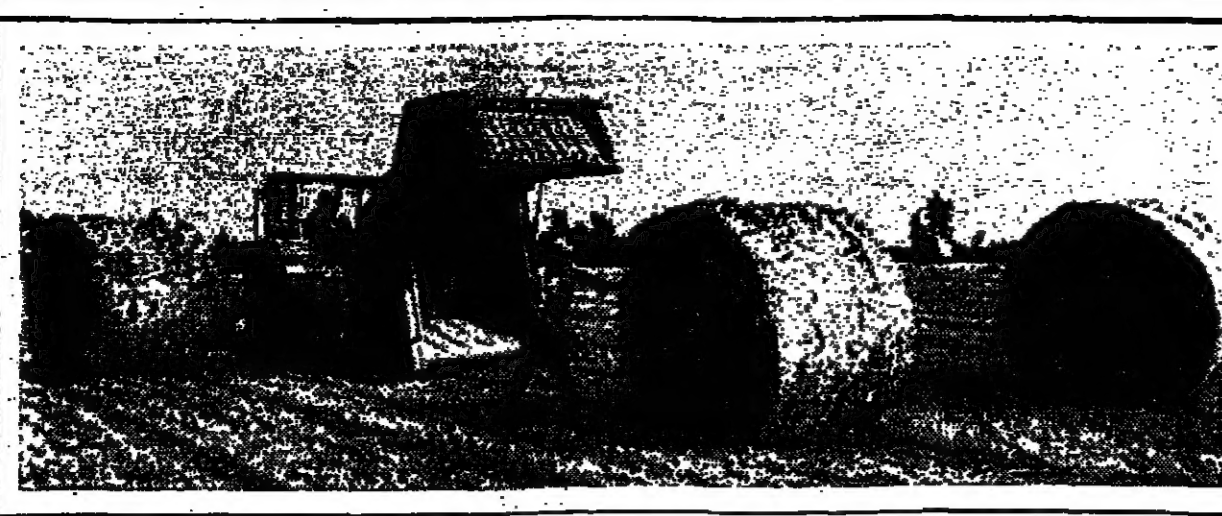
Only one federal crime, aircraft piracy where death results, is covered by a death-penalty provision. This law, passed in 1974, is considered unconstitutional by most lawyers.

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Instead of the usual square-corned bales left behind by combine-harvesters, this machine—in use near Soest, West Germany—makes big drums, moving more hay with less effort.

A Cash Crop With Criminal Potential

Peru's Coca: Lift for Peasants, Headache for U.S.

By Joanne Omang

TINGO MARIA, Peru, Aug. 17 (UPI).—A light spring green in color that contrasts with the dark mat of the surrounding jungle, the fields of coca bushes here roll away over the hills to the horizon in a two-tone patchwork seamed by the muddy Huallaga River.

A visitor can have a sticky sweet Inca Kola at the Cafe El Gringo on the rutted main street and ask anybody—discreetly, of course—about the town's biggest industry, the coca leaf. It is raw material for the white joydust, or cocaine, here called oro blanco, or white gold. The growing American taste for it has been a financial bonanza for Tingo Maria.

A few years back, everybody grew tea or coffee or bananas. Not anymore.

Coca takes virtually no care, grows well on the seamy near-vertical hillsides and brings in six crops a year, a farmer said. "You just strip the leaves and then poof, another crop in 55 days."

Legal Crop

Much of the coca in Tingo Maria is legal. Peru, according to the government's National Coca Enterprise, is the world's largest producer, growing an official crop of 10,450 tons on 40,800 licensed acres, an area the size of the District of Columbia.

The actual planting is probably about 57,000 acres, however, according to the enterprise's administrator, Alejandro Costa. Drug control sources estimate the dried coca leaf production at more than double the official level—perhaps 22,000 tons, or 70 per cent of the world's crop.

Boiled with kerosene in makeshift cement-lined pits, the dried leaves yield a rubbery soup or paste of about 1 per cent of their weight. The paste is treated in clandestine laboratories in Peru, Ecuador and Colombia to become cocaine hydrochloride at half or more the weight of the paste. In

other words, Peru's estimated illegal leaf production of roughly 12,000 tons alone could yield 60 tons or more of pure cocaine, and probably does. Virtually all of it goes to the United States.

The crop of legal coca leaves theoretically has another fate, although much of it probably is also made into white gold. Only 627 tons are exported, 55 tons reduced to cocaine paste for Europe where it becomes novocaine and other anesthetics. The rest goes to leaves to U.S. companies such as the Stepan Chemical Co. of New Jersey, which promotes non-drug flavorings for soft drinks. "How do you think Coca-Cola got its name?" asked Mr. Costa.

The rest of the legal leaves are all officially accounted for as chewed or made into tea by the country's 3 million native Indians, the vast majority illiterate and poverty-ridden.

Bus drivers munch the leaf with lime to stay awake on long trips. Impoverished villagers chew coca instead of food to drive away hunger pains. Tired women carrying enormous bundles of goods to market use it to fight their fatigue. Shepherds on the high altiplano combat the cold and altitude sickness with the coca leaf's gentle stimulation. For those not hungry or tired, the leaf often seems only to make the mouth slightly numb.

"We have in mind the slow and gradual elimination of the habit of chewing," said Mr. Costa. "It will take massive education and a long time." He estimated that about 26,000 Peruvians earn a living from the coca industry, among them 8,000 distributor-businessmen and 18,000 producers. At the farm-income level it is a \$61-million-a-year legal business.

Some 2,500 of the producers live in and around Tingo Maria, Mr. Costa estimated. A town and district only 37 years old, with

30,000 residents, its pastel stucco and graying wood buildings occupy the only flat space for miles among jutting, jungle-covered mountains on the eastern slope of the Andes.

"The place is half-madness," grumbled a dry-goods store manager. "They have all the money and all they buy is liquor." Dealers for the paste arrive every so often in small private planes at the dirt airstrip, several persons related, and are wined and dined at the few large coca plantations.

Most of the legal and illegal coca is grown on the same estates, enforcement officers said, with the illicit leaves concealed under false production figure documents. Recently, however, small landholders created under Peru's agrarian reform have begun converting plots of two acres or so to coca, occasionally surrounding it with screens of other crops.

A convicted employer now will have to pay a fine to the National Immigration Office. News of his condemnation also will be posted on his factory door and published in newspapers.

To save as much money as possible to send home, many immigrant workers sleep in rundown dormitories where some owners rent beds to two persons

There are signs saying "Welcome to the Demilitarized Zone" as well as poster packets titled "sightseeing at Panmunjom." No one lives here, but heron, deer and other wildlife flourish in what must be the world's most heavily guarded game preserve.

"The DMZ is a sad place," a diplomat said. "It's just a facade in place of a lasting peace. But it's better than a real war."

Every so often tensions snap and burst into gunfire, as they did Aug. 5. There are numerous other little-noticed incidents—club-swinging melees, kicking, spitting and punching and exchanges of epithets.

Some have been very violent, including ambushes. Forty-seven Americans have died and dozens of others have been wounded in such incidents since the Korean armistice was signed 23 years ago. More than 1,000 Koreans have also died in clashes across the Demilitarized Zone, now the Asian location where U.S. troops—41,000 of them—directly face the Communists.

On June 19 and 20, three men identified as North Korean infiltrators were killed in brief exchanges that also took the lives of four South Korean soldiers.

The scene for this continuing conflict is a meandering 4,000-yard-wide strip crossing the Korean peninsula from the Sea of Japan to the Han River estuary. Here as nowhere else the Asian ambitions of the major powers confront each other.

The zone does not follow the 38th Parallel but straddles the military demarcation line where the fighting stopped in 1953. Each side pulled its main forces back 1.25 miles but continues to occupy the area with guardposts and patrols.

Detailed Rules

Detailed rules govern use of the zone. But both sides—the North Koreans and Chinese on one and the Americans, representing the UN command, on the other—regularly exchange charges of violations.

These are aired in the well-known Quonset hut sessions of the Military Armistice Commission. The sessions, which have numbered more than 375, are, as an official put it, "perhaps the world's most futile get-togethers."

Under the protection of guards, each side faces the other across a long table that is half in North Korea and half in the South.

According to U.S. guards, there are regular skirmishes of diplomatic one-upmanship, with the North Koreans installing flags, flagstands and microphones larger than those of the Americans, who have also found the legs of their chairs shortened, so they look up to the Communists representatives across the table. When metal swivel chairs were installed, the seats were turned down until the Americans were again lower.

"When you're up here," said Spec. Harper, a Denver native, "you know that if something really happens, well, you can't last long."

As for violent incidents, a major's larynx was crushed in June, last year, when he was kicked in the throat by a North Korean guard. This June a U.S. military policeman and his South Korean partner were in a Jeep

when they were approached by 20 North Korean soldiers carrying clubs. Their tires were flattened but they escaped with only bruises.

To cope with such treatment the Americans are chosen for their physiques and receive special training in hand-to-hand combat.

The last U.S. fatality occurred in November, 1974, when Cmdr. Robert Ballinger of the Navy died in an explosion of undetermined origin while investigating the first of two North Korean tunnels discovered in the zone.

The second tunnel, 6 feet wide and gouged through solid rock at a depth of more than 150 feet, was discovered last year. From the scope of the project, experts believe work began in 1972, at the time of the cordial but abortive North-South dialogue.

Over the years the Demilitarized Zone, a mixture of rugged mountains, lush green rice paddies and overgrown fields marked "mines," has become so much a fixture of local life that the few farmers allowed to work near here do not even bother to look up when helicopters flash directly overhead and briefly flatten the rice stalks.

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France to Curb Trafficking, Exploitation of Immigrants

PARIS, Aug. 17 (Reuters).—

France has moved to curb those who smuggle in immigrants, the employers who exploit them and the "sleep merchants" who quarter them in squalid dormitories.

New legislation recently passed by parliament aims to improve the lot of about 4 million foreigners already in France and stop the spiriting in of immigrants.

Two years ago the government halted immigration of foreign workers from non-Common Market countries in order to study ways of improving the working and living conditions of those already here. The result is a batch of new laws.

First to come under attack were smugglers who charge extortionate prices to get immigrants in, sometimes crammed almost to suffocation point in secret compartments of trucks.

Under a 1945 law, smugglers faced two months to two years in prison. Now they can have the vehicles used in the smuggling confiscated and their driving licenses suspended.

Paul Dijoud, secretary of state for immigrant workers, explained that the new laws were part of a policy aimed at improving immigrant living conditions.

"It is also intended to control the migratory flow better so that clandestine immigration does not increase now that the economy has recovered," he added.

He said another objective was "a more active pursuit of unscrupulous employers who use foreign manpower in irregular situations."

A convicted employer now will have to pay a fine to the National Immigration Office. News of his condemnation also will be posted on his factory door and published in newspapers.

To save as much money as possible to send home, many immigrant workers sleep in rundown dormitories where some owners rent beds to two persons

at once, one by night, one by day. Local officials now will have the power to close unhygienic dormitories and to demand a contribution from "sleep merchants" to rehouse the bedless workers.

The greatest hardship for immigrant workers here is living without their families. Mr. Dijoud explained that "families have come into France in chaotic conditions. Many had tourist visas. When they ran out, the immigrants remained in our country and the most elementary humanitarian principles were from sending them back when the head of the family had a decent job and home."

From now on, he added, "a foreign worker can get his family over here provided he has been a resident for a year with his papers in order, and has stable resources and an adequate home."

Finally the government plans to help the reunited family with three months' rent to help with initial expenses.

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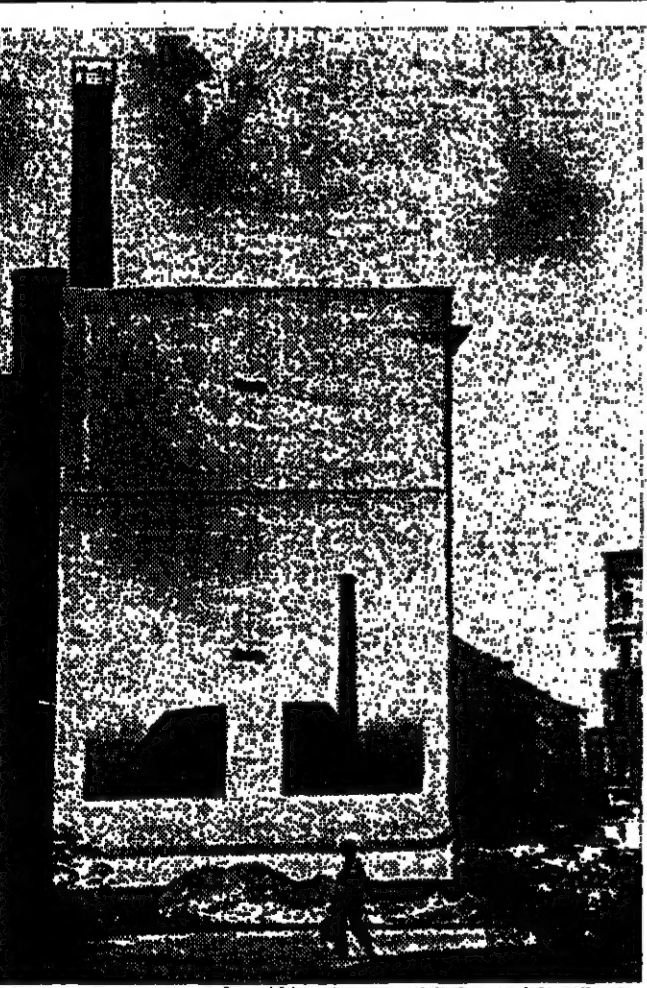
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PICTURE WINDOW—To cover up some of the ugliness of this Berlin factory, its owners commissioned a painting on a blank wall. The result: a picture of the same ugly factory through a giant window.

Music Piped Aloft to Ease Isolation of Salyut-5 Crew

MOSCOW, Aug. 17 (Reuters).—

Ground controllers are playing music to the cosmonauts aboard orbiting Salyut-5 space station on the advice of psychologists concerned about the two men's prolonged isolation, according to the newspaper Izvestia.

The cosmonauts, Col. Boris Yevov, 41, and Lt. Col. Vitaly Dolobov, 38, began their seventh mission in space today, and there has been no sign that their mis- is nearing its end.

The government newspaper said that with the era of long flights, psychologists were giving greater attention to problems of "sensory deprivation"—isolation from familiar sounds and smells.

Doctors who had known Col. Yevov and Col. Dolobov for a long time were studying the communications sessions with them and analyzing their emotional state, it was making recommendations to the mission controllers, newspaper said.

Thai Police Hunt Ex-Leader Who Is Reported Back

BANGKOK, Aug. 17 (Reuters).—

Thai Premier Seni Pramoj tonight ordered police and the army to find Prachin Charasathien, a strongman in the former military government, who is reported to have returned to the country.

The Premier announced the return of the 63-year-old field marshal yesterday, sparking fears of political turmoil.

Tonight the Premier said the marshal had returned to the country "for political reasons."

An official government statement last night, however, said the marshal's presence in Thailand was uncertain.

Tonight 10,000 students attended a protest rally, some carrying a big poster reading "Wanted Dead: the Cruel Murderer."

Marshall Prachin is one of the former rulers who held responsible for the death of 72 people in demonstrations which toppled the regime of Field Marshal Thanom Kittikachorn in October, 1973. Marshall Prachin fled to Taiwan during the uprising.

Mr. Seni said further consideration was needed before he could say if the marshal, regarded as perhaps the most powerful figure in the former government, would be arrested if found.

Catholic Leaders Assail Quito for Clergy Expulsions

BUENOS AIRES, Aug. 17 (Reuters).—Catholic leaders in Latin America yesterday criticized Ecuador for expelling 37 foreign clergymen accused of attending a subversive meeting.

Ecuador's military government Friday asked the churchmen, including 2 archbishops and 13 bishops, to leave after the police raided a meeting they were holding in the town of Esmeraldas.

Catholic leaders in the Argentine province of Santa Fe said the charges were ridiculous and stupid. Only the Pope could judge the actions of bishops, they said.

In Colombia, the Most Rev. Alfonso Lopez Trujillo, secretary-general of the Latin American Episcopal Conference, said the expulsions were a "lamentable error."

Court Lifts Bar On U.S. Sale of

Carving Gargoyles for the Modern World

By Peter Mikelbank

WASHINGTON (UPI)—Wisconsin Avenue: 7:30 a.m. Six men pursue the craft of medieval artisans in a small wooden shed beside Washington National Cathedral. Gargoyles and grotesques emerge from chunks of limestone, the work of Roger Morigi, 60, master carver.

"You have a love affair with all your work," Morigi said. "You never finish. You always learn something new, each day. It's a whole way of thinking. Today, everything is space. How fast can you put something up? How much office space will it have? Now, everything is put up in glass and aluminum.

"The Bureau of Standards says that they won't have to repair the cathedral for the next 1,000 years," Morigi said. "Now, the new FBI building, they've already put scaffolding up again. Which is better?"

The son of a Milanese stone-carver, Morigi has been carving for 58 years. He arrived in New York in 1928, when there were 275 stonecarvers there. In 1932, he came to Washington to work on the Supreme Court Building, and for the past 22 years has worked on the cathedral.

There is only a handful of skilled carvers left, six are working here.

"He and I have been working together since 1928," Frank Zic, 66, of Chevy Chase, Md., said of Morigi. "But there's no place that I have ever worked before as good as here. Here, they want everything the best. They are not concerned for time, especially the carving. They want the best."

"I'm going to retire in three years," Zic added. "There is almost no work left. They're all going out of business."

"He's going to retire in three years?" Morigi shouted. "I've been retiring for 20 years!"

Morigi and Zic were standing under a model for the western tympanum by sculptor Richard Bart. Work from diagrams, casting models and the final carved execution will take years. The southern tympanum, which is Morigi's special joy, has 44 angels and saints and was dedicated in 1971 after four and a half years of carving.

Next to the small shed, there is a larger glassed-in shop, in which four stonecarvers and two stonecutters produce the larger pieces for the cathedral exterior. They are finishing the gargoyles and grotesques that will decorate and protect the northern and western gables.

While files, rasps and chisels lie around, the craft has become automated. Compressed air drives the chisel.

The youngest of the carvers, Patrick Plunkett, 39, came from Salisbury Cathedral in England to Washington a year ago to work on the cathedral.

"What Morigi doesn't know about stonecarving isn't worth bothering with," Plunkett said, raising his safety goggles.

Plunkett walked outside to show some of the work. There piled on a hillside, one on top of another, were stones already carved and waiting for placement. There were several hundred rosettes in clusters waiting to line the nave.

During a coffee break, the carvers participated in an ancient rite, surrounding the master as he offered tales of other carvers.

"This one carver," Morigi began, "he's all the time saying, 'I want to find myself.' Me, I'm hustie, hustie, hustie, and this other guy, he's got to find himself. Me, I never got lost."

Patrick Plunkett carves a rosette for Washington National Cathedral. He is one of a small band of artisans working on decoration.

The Adult Commune—A Preliminary to Retirement

By Alan S. Oser

RHINEBECK, N.Y. (UPI)—Where Janet Livingston Montgomery planted white locusts in memory of a husband killed in the Revolutionary War, where the late Louise Claws Thompson, once the Duchess of Argyll, kept her Louis XVI mirror, Flemish tapestries, Georgian chests, Betseyes enamel, and Sheraton, Hepplewhite and Chippendale furniture, there, on holidays and vacations, live the Cantors, the Spectors, the Bells and the Schenks.

The three families from Westchester County in New York and one from Delaware own a 33-room Georgian mansion called Gramere, purchased from the Thompson estate four years ago. Their intention was not merely to provide for their vacations. They wanted to get up something like a commune, middle class-family style, that would carry over years from now into a communal form of retirement life.

The four couples are all in their late 40s or early 50s. They have 11 children, ranging now in age from 9 to 23. Their "larger family" at Gramere operates in highly structured but leaderless fashion, with meetings, minutes, and participation by the young people.

"A lot of us have a lot of friends outside this group," said Bell, an accountant, "but this is different. This is like a family."

The Offspring

Each adult couple has a room on the second floor. The offspring are on the third floor. The girls, by choice, share one large room and the older boys another. The younger boys have their own room. The large third-floor parlor is the center of communal activities.

There are work parties, and committees, and a scheduler to mind the charts and get the word on who will be at Gramere and when. There are rules, refined over the years. There are dinner committees to prepare communal evening meals. There is a "Gramere Gazette" produced by teenagers. And there are meetings. In the early days, a lot of them.

In a recent interview, two members of the founding families, Lois Cantor and Leonard Spector, described how their group came to be and how it operates. Mrs. Cantor is a psychologist, a Ph.D. candidate who has taught at Queens College. Her husband is Dr. Morton Cantor, a psychiatrist. Spector is a partner in a marketing research organization in New York City called Andis and Surveys Inc. His wife, Frances, is a school teacher.

A few years ago, they and other friends began to think about what they would do, and about what kind of people they would be. In their own families, there were examples of the disaffected elderly people who not only had physical hurts but who

were passing into those feelings of uselessness that frequently blight the lives of the old.

"We were wearing ourselves out dealing with our parents," said Mrs. Cantor, "and we began to wonder—would we get like that ourselves?"

Why Wait?

The idea emerged of sharing a retirement home some day, in the hope that by living together a satisfying environment could be created without placing burdens on the younger generation. "Then we thought, 'Why wait? Let's do this now,'" said Mrs. Cantor. "We'll try out sharing a vacation home."

In 1971 Gramere had been on the market over a year. It was listed by Previews, Inc., an international broker for expensive residences, as "a house of history and beauty."

It is a Georgian home of red brick and white marble at the end of a long winding drive a mile from the center of Rhinebeck. The ceilings are 14 feet high. There are six mahogany doors from a dismantled castle in Scotland. There are seven master bedrooms.

rooms, and there are white marble mantelpieces.

The story is that 800 acres of land were given to Janet Livingston Montgomery in 1773 by her grandfather, Col. Henry Beekman. She lived for many years in the first dwelling on the estate, planting locust trees along the drive in memory of her husband, Brig. Gen. Richard Montgomery, who was killed on Dec. 31, 1775.

New Home

Fire destroyed the original house, and a new one was built on its foundation. After several other owners through the years, in 1954 came Louise Claws, daughter of the sculptor Henry Claws, granddaughter of a banker, and the 11th Duchess of Argyll. She and the duke were divorced and she married C. Livingston Thompson, an investment banker. The Thompsons were divorced in 1963.

When she died in 1970, the estate put the house on the market at \$175,000. By the time the eventual buyers saw it, serious decay had set in. Among other things, the ceiling in the reception room had fallen.

The group bought it for \$95,000.

Geneva's New International Group: A World Organization for the Aged

By John A. Callcott

GENEVA, Aug. 17 (UPI)—Olivier Jan, an airline sales manager, worried about his parents. His father, 83, and mother, 74, felt lonely and cut off from society. The children had long since left home and had little time to visit.

Mr. Jan's job took him around the world but especially to the United States, where he organized group tours for senior citizens.

"I saw that while such clubs exist in many countries, they are solitary units," he relates. "There should be a way for them to communicate with each other, to know what the others are doing, to exchange information and advice."

With two friends, similarly concerned, Mr. Jan decided to establish such an organization. The World Association for the Senior Citizens Union, or WASCU, has now been officially registered as the latest addition to Geneva's long list of international organizations. In September, it will receive recognition as an international nongovernmental body, with the same status as such organizations as the International Red Cross or World Council of Churches.

Mr. Jan, 44, a Frenchman—his parents live in Marseille—is the first president. His unpaid contribution is his time and overall organization.

Jean-Pierre Moller, 42, the son of a wealthy French banker and owner of a Geneva investment company, contributed an office and a secretary.

Frank Olivier Hay, 30, son of

Alexandre Hay, who was formerly president of the Swiss National Bank and who is now president of the International Red Cross, is the third member of the committee. A jurist, he is treasurer and legal counselor.

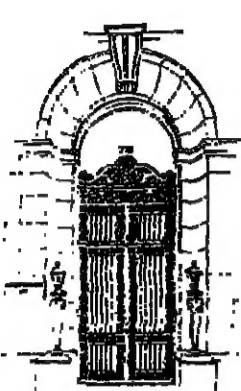
"We are totally voluntary and above all will never become just another international organization of highly paid functionaries," Mr. Jan said. "We ourselves charge no expenses other than for sundry items such as typing paper and postage. Our monthly newspaper will be financed by just enough advertising to cover printing costs."

WASCU has already received membership applications from 20 senior citizens associations with a total of 6 million members, mostly in the United States. "That's where such associations are best organized at the moment," Mr. Jan said.

Individuals can also join with annual dues set at \$10. For this they will receive the monthly newspaper in English, French or German containing general information, advice, news on what various associations are doing, advantageous travel opportunities, etc. They will also be registered in the central file.

WASCU's first project is a "caring challenge" in Florida this fall. Through his airline connections, Mr. Jan is arranging special low rates for European senior citizens to go to Miami to take part, staying with members of senior citizens clubs there.

The address of WASCU is: AMTA, Box 23, Geneva-Rive 3.



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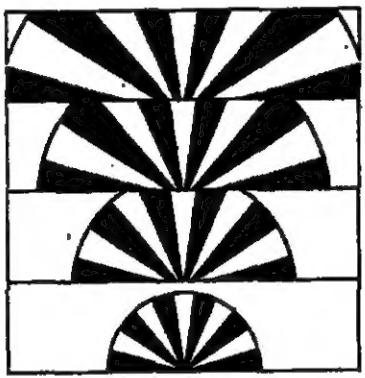
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TRADE EVENTS

SEPTEMBER 1976 MARCH 1977



SEPTEMBER

September 3-7
International Music Salon - High Fidelity
AUTUMN CHI-BI 76 - International Salon
of Bijouterie, Fancy Goods & Sales Promotion Articles
AUTUMN MACEF 76 - International Exhibition of Household Goods, Glass & Chinaware, Silverware, Gift Articles, Hardware & Tools
September 8-13
8th MICAM - 40th International Exhibition of Footwear, Leather & Accessories
September 18-23
6th International Furniture Salon
16th Italian Furniture Salon
1st EUROLUCE - International Lighting Salon
SMAU 76 - International Exhibition of Office Furniture, Machines & Appliances

OCTOBER

October 2-4
INTERSAN - International Orthopaedics Exhibition - Medical Techniques - Surgical Instruments & Equipment - Equipment for Hospitals - Physioelectromedical Appliances - Corsetry - Hygiene Articles for Infants
October 2-8
10th BI-MU - Biennial Machine Tools Exhibition
October 3-5
MIAS 76 - International Market for Summer Sporting & Camping Equipment
October 5-8
SICURINT 76 - 8th International Exhibition-Conference: Appliances & Equipment for Safety & Health in Industry
4th Exhibition of Equipment & Appliances for Civil Protection & Fire Services
October 12-16
MAC 76 - 16th International Exhibition of Equipment & Appliances for the Chemical Industries & for Laboratory Research, Analysis & Tests
October 14-24
ITALIA 76 - World Philately Exhibition
October 17-31
34th MIFED - International Film, TV Film and Documentary Market
October 24 - November 1
EXPO CT 76 - 11th International Exhibition of Trade & Tourist Facilities & Equipment
E.B.E. - 6th European Drinks Exhibition
6th SIPRAL - Food Products Exhibition
2nd EXPO-ARREDO - Model Schemes of Furnishings and Equipment for Touristic and Group Amenities
6th MIPAN - International Exhibition of Machinery, Plant & Accessories for Making Bread & Confectionery
October 28-30
ANTI-POLLUTION 76 - 4th International Exhibition-Conference on Techniques, Plant & Installations for Water & Air Purification, Soil Decontamination & Refuse Disposal
November
November 19-22
SELE-PEL - Selected Exhibition of Handbags & Leather Cases

NOVEMBER 23-27

14th BIAS - Biennial International Exhibition-Conference: Automation & Instrumentation
November 25-29
PULISAN-HYGIENE 76 - Exhibition-Conference: Materials, Equipment & Techniques for Cleanliness, Servicing & Hygiene in Industry
PAVRIV 76 - Exhibition-Conference: Domestic and Industrial Flooring, Linings & Wall Coverings
November 28 - December 3
27th EUROTRICOT - European Hosiery & Knitwear Salon
January
January 14-18
30th MIPEL - Italian Leather Goods Market (International Salon)
January 22 - February 2
CART 77 - International Salon for Stationery Paper, Paper & Cardboard Products, Educational Supplies
CHIBICAR 77 - International Exhibition of Gift Articles, Fancy Goods, Bijouterie and Smokers' Requisites
January 28 - February 3
15th International Toy Show

FEBRUARY

February 5-11
INTEL 77 - 3rd International Electrical Technology Exhibition
3rd European Radio, TV & Electro-acoustics Exhibition
February 12-16
SPRING MACEF 77 - International Exhibition of Household Goods, Porcelain, Chinaware & Glass, Silverware, Gift Articles & Quality Goods for the Home

MARCH

March 1-7
16th International Exhibition-Conference: Heating, Air-conditioning, Refrigeration & Sanitary Installations - Ceramic-glazed Tiles Salon
March 3-7
EXPOMOTOR 77 - Exhibition of Spares & Accessories, Tooling & Mechanical Equipment for Servicing Cars, Motor Cycles, Agricultural Machinery, Motor Boats & Go-karts
March 13-16
WINTER MIAS 77 - International Market for Sporting and Camping Equipment
March 16-21
EUROZOO - Exhibition of Domestic Animals, Pets & Accessory Products
March 18-21
LAVASTIR - 4th Exhibition of Machines, Installations & Equipment for Laundering, Dry Cleaning, Ironing and Dyeing
March 19-27
SICOF 77 - 7th International Exhibition of Cine-Photo-Optics & Audiovisual Equipment
March 23-27
13th COMIS/PEL - International Fur Dealers' Salon

For further information write to: Segreteria Generale Fiera di Milano, Largo Domodossola 1, 20145 Milano (Italy), Telex 37360 Fieramil

The Milan Fair Organization declines responsibility for any changes in the dates announced as above by the respective Committees of these Exhibitions and Trade Shows

London Gallery Under Fire

LONDON, Aug. 17 (AP)—London's Tate Gallery was under fire again today for spending public money on avant-garde art. This time the work in question, by Scottish poet Ian Hamilton Finlay, consists of 13 blue letters spelling "Starlit Waters," wrapped in orange fish net. The Tate reportedly paid £500 for it.

Six months ago there was widespread criticism of the gallery, which receives a government subsidy of \$570,000 annually, for buying a work by Carl Andre—a pile of 120 bricks—which cost about \$4,100.

Today the Times asked the gallery if the latest acquisition was not a waste of public money. No, said a spokesman. It was not. The work, now on exhibit, produces "a high resonance by minimal means."

This did not satisfy the Daily Telegraph. The Tate, the newspaper said, "is now acquiring a lark reputation in which all eyes for controversial publicity seem occasionally almost as important as the need to buy worthwhile contemporary works."

variably a group meeting to discuss plans and even grievances. There are rules such as: No smoking at the dinner table until after dessert and no religious practices in the house (some of the members are practitioners, others are not).

Normally there is a regular Saturday work period.

A Couple

A young couple lives year-round rent-free as caretakers at Gramere, in exchange for contributing one day of labor a week.

After the initial outlay for restoring the house to living condition, the commune is spending a total of \$12,000 a year on it.

One tradition that has grown up is the formal New Year's Eve party. Another tradition may have begun last year when a dragon was married on the five-acre front lawn.

The commune hopes to take it one or two other families, possibly from a different locale from their own. With the exception of the Schenks from Delaware—he is a sociologist and she is a social worker—all the families live in Westchester.

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Trade Surplus Increases

Japan's Payments Gap Widens Sharply in July

TOYO ANI (AP-DJ).—Japan's trade surplus in July totaled \$730 million, down from June's seasonally adjusted \$1.114-billion surplus.

Seasonally adjusted exports totaled \$5.2 billion, down from \$5.486 billion in June. July's seasonally adjusted imports totaled \$4.47 billion, up from \$4.372 billion in June.

The ministry's figures showed that Japan's trade surplus in July was \$730 million, down from June's \$1.114-billion surplus. The ministry's preliminary figures showed the trade surplus rose to \$1 billion from \$975-million surplus and \$755-million surplus in June.

Exports totaled \$5.2 billion in July, up from \$4.716 billion in June. Imports totaled \$4.47 billion, up from \$4.372 billion in June.

U.S. Loan to Britain Shown Data on Money Reserves

WASHINGTON, Aug. 17 (AP-DJ).—The U.S. Treasury Department said today that the U.S. loan to Britain in July was \$5.3 billion, down from \$5.5 billion in June.

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Mark, Yen Rise Sharply Against Dollar

LONDON, Aug. 17 (AP-DJ).—The pound sterling and yen rose sharply against the dollar today, with the pound up 1.5 percent and the yen up 1.2 percent.

The pound sterling rose 1.5 percent to 1.93 dollars, while the yen rose 1.2 percent to 164 yen per dollar.

Germany and Japan have been running very large trade surpluses with the United States, and it is expected that the dollar will continue to decline against the yen and the mark.

The dollar's decline against the yen and the mark is expected to continue, as the U.S. trade deficit with these two countries remains large.

French franc rose 1.5 percent to 6.55 francs per dollar, while the Swiss franc rose 1.2 percent to 2.05 francs per dollar.

The French franc rose 1.5 percent to 6.55 francs per dollar, while the Swiss franc rose 1.2 percent to 2.05 francs per dollar.

EC Reported Raising Index for Price Rises

LACAS, Venezuela, Aug. 17 (AP-DJ).—The Organization of Economic Cooperation and Development (OECD) reported today that the index for price rises in the European Community (EC) for the first half of 1976 was 1.2 percent.

The OECD reported that the index for price rises in the EC for the first half of 1976 was 1.2 percent, down from 1.5 percent in the second half of 1975.

Argentine Stock Exchange Booms After Military's Coup

By Juan de Onis

BUENOS AIRES, Aug. 17 (AP-DJ).—A phenomenal boom in the Argentine stock exchange here since the military coup in March has raised the average price of shares traded from the equivalent of 3 cents before the coup to nearly 50 cents, and volume has expanded.

One American, who invested \$100,000 in January and February at the bottom of the market, has made \$800,000.

Earnings Soar At Philips' in Quarter and Half

ROTHOVEN, the Netherlands, Aug. 17 (AP-DJ).—Net profit at NV Philips soared in the second quarter and first half, the company reported today.

Earnings in the quarter rose to 128 million guilders (\$47.4 million) from 86 million guilders a year earlier, while profit in the half year totaled 232 million guilders, up from 86 million in the year earlier period.

U.S. Housing Starts Decline During Month

WASHINGTON, Aug. 17 (AP-DJ).—Housing starts in July were at a seasonally adjusted annual rate of 1,387,000 units, down 9 percent from the revised June rate of 1,527,000 units but 15 percent above the year-earlier pace of 1,207,000, the Commerce Department said today.

Building permits for future housing construction were issued in July at the highest annual rate since April 1974, the department said. The rate of permits rose to 1,219,000 units from the June rate of 1,150,000 units and a year-earlier rate of 1,016,000.

A Rabbit With a Tarnished Image

By Robert Irwin

NEW YORK, Aug. 17 (NYT).—Volkswagen has a problem—and it's not the little Rabbit car in Pennsylvania. It's not the little Rabbit car in Pennsylvania. It's not the little Rabbit car in Pennsylvania.

The Volkswagen Rabbit car in Pennsylvania is not the little Rabbit car in Pennsylvania. It's not the little Rabbit car in Pennsylvania.



Pat Warner

Just building an American plant alone is not going to do it," admits Stuart Perkins, the British-born president of Volkswagen of America, the U.S. arm of the Wolfsburg-based company.

"It will give us price stability but our principal job is to better explain the kind of car we are selling now."

Buyers and auto critics have loved the little car's roominess, handling, high speed and fast acceleration—loved it, that is, when it ran, which apparently was not often enough. The Rabbit has been had-mouthed across the country Consumer Reports magazine, which praised the Rabbit before thorough testing—and still praises it—reported in a May article entitled "36,000 Miles—Woe at Wolfsburg" that between 36,000 and 38,000 miles "everything seemed to come apart at the seams."

The catalogue of test problems runs from starting and stalling to faulty tailpipe mounts, headlight failures, carburetor trouble, poor quality ("We have a drawer full of little parts that have broken or fallen off," wrote Car and Driver magazine after a long test) and mushy shifting ("Hunting for a gear is like stirring minestrone with a stalk of spaghetti," said the magazine).

Volkswagen says the troubles were on early models and have been corrected at a cost of \$10 million.

For the study, Stephen McNeess, an assistant vice-president and economist for the bank, analyzed statements from 1970 to 1975 by five of the most widely known and influential economic forecasters in the country.

The forecasts were prepared by the Bureau of Economic Analysis of the Commerce Department, Chase Econometric Associates Inc., Data Resources Inc., Wharton Econometric Forecasting Associates Inc. and the median forecast from the economic research survey by the American Statistical Association and the National Bureau of Economic Research.

The analysis concentrates on eight episodes during the period in which the pace of economic activity changed considerably or in which the outlook was particularly controversial because of some outside shock, such as the 1973-1974 Arab oil embargo.

Forecasters expected the 1970 recession to be very mild, and they were generally correct, Mr. McNeess said. However, they "substantially underestimated" the rise in unemployment by about 1.4 percent and the rise in the cost of living by from 1 to 2 percent.

The unexpected Arab oil embargo announced Oct. 17, 1973, had disastrous effects on the 1973-1974 forecasts. Estimates of real growth were overestimated by as much as 5.5 percent, while the inflation rate was underestimated by 6.1 percent.

These misses... were unprecedented in magnitude. These forecasts provided a very poor indication of where the economy was headed," Mr. McNeess said.

small cars. But VW's biggest competitors are not slumping today—Toyota and Datsun now outsell the VW here and even the little Honda is creeping unaccountably close to VW's tail. The three Japanese companies are reporting their small-car sales here ahead of last year. More recently, VW blames the price of their Rabbit for their problems.

Whatever went wrong, it has been devastating. VW sales in America collapsed from 270,000 cars in 1970 to 270,000 last year—the Rabbit went on sale in January, 1975—and are dropping another 25 percent to about 200,000 this year. For the last three months the Rabbit's share of those sales has run about 50 percent, or 8,000 a month (the remainder are Beetles and higher-priced Dashers and Scirocco models).

While about 2,000 Beetles are sold a month, it is the Rabbit that Volkswagen counts on and the Rabbit is the car destined for American production.

There is general agreement that the Rabbit has price problems. Even small American cars are priced below the VW. "I have to think their cars are overpriced now," says Robert Link, sales manager for Nissan Motor Corp., which sells the Datsun cars. VW advertises that it is the best car in the world for under \$3,500 (the suggested retail price for the lowest price model is \$3,499), but it is dealer's door at that price this month. At Bristol Motors Inc., a VW dealer in Manhattan, for example, a two-door Rabbit with automatic transmission (\$250) and some trim lists for \$4,352.55 without the 3-speed sales tax.

Mr. Perkins says that the sales slump has already been stopped, but he will make no prediction about next year except that "we are going to improve our present position." VW also has a secret weapon to use in the small car battle: A Rabbit with a diesel engine, burning oil instead of gasoline and rated at 59 miles per gallon in highway driving. The diesel version will go on sale early next year and also be assembled in Pennsylvania.

(Robert Irwin is automotive editor of the Detroit News.)

Errors 'Unprecedented in Magnitude'

Study Shows Economic Forecasts Wrong

BOSTON, Aug. 17 (UPI).—A study by the Federal Reserve Bank of Boston says errors in economic forecasting "unprecedented in magnitude" were made by the most respected U.S. forecasters during the 1970s.

For the study, Stephen McNeess, an assistant vice-president and economist for the bank, analyzed statements from 1970 to 1975 by five of the most widely known and influential economic forecasters in the country.

The forecasts were prepared by the Bureau of Economic Analysis of the Commerce Department, Chase Econometric Associates Inc., Data Resources Inc., Wharton Econometric Forecasting Associates Inc. and the median forecast from the economic research survey by the American Statistical Association and the National Bureau of Economic Research.

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These misses... were unprecedented in magnitude. These forecasts provided a very poor indication of where the economy was headed," Mr. McNeess said.

In the chaos that followed the lifting of the embargo, the forecasters overestimated the unemployment rate, producing errors three times higher than the average, and predicted an economic recovery. But demand collapsed and the gross national product declined by 4 percent.

the GNP growth rate or the rapid acceleration of inflation rate, Mr. McNeess said.

"These forecasts failed miserably in warning of the severity of the impending recession," he said. "Because of the failure to account for a combination of adverse economic forces, these forecasts contributed to the mistaken impression... that inflation was the only major policy problem and that an upturn was imminent."

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Supplies Double in Half Year

U.S. Dependence on Arab Oil Rises

By William D. Smith

NEW YORK, Aug. 17 (NYT).—The United States doubled its dependence on direct supplies of Arab-produced crude oil during the first half of 1976, according to a recent survey by The Petroleum Intelligence Weekly, an authoritative trade publication.

Crude-oil shipments from Arab nations in the first half of this year supplied the United States with 12.4 percent of its total oil demand, compared with only 6.6 percent a year earlier, according to the report.

Direct shipments from the Arab nations through Caribbean refineries and then to the United States in the form of petroleum products further increased American dependence on Arab sources, according to energy analysts.

The situation leaves the United States more vulnerable to an Arab oil embargo than at any time in its history, as a number of administration officials have recently warned. In late July, Secretary of Commerce Elliot Richardson said, "If another embargo were imposed the results would be literally catastrophic."

No Threat

Students of oil and politics are quick to note that the Arab oil producers have not threatened an embargo. On the other hand, Frank Zarb, the Federal Energy Administrator, in an interview in the Middle East Report, a newsletter, noted that the Arab producers had not said "We will not resume a political embargo." "Absent of that, I have to assume that it is possible," he added.

According to The Petroleum Intelligence Weekly, crude oil imports rose to 4.74 million barrels a day in the first half of 1976 from 3.71 million barrels a day in the first half of 1975.

The entire increase of a million barrels a day in crude oil imports was met by Arab oil, which rose to 2.1 million barrels a day, or 44 percent of the 4.7 million barrels a day of total imports. In 1975, Arab producers accounted for only 29 percent of crude-oil supplies.

The first half of 1976 also saw

Saudi Arabia pass Venezuela as the chief supplier of crude oil and products to the United States, a position the South American country has held since before World War II.

In the first half of this year the Saudis supplied the United States with 1.06 million barrels a day of crude oil, compared with 576,000 barrels a day during the first half of last year. The Saudis also supplied some oil indirectly through the Caribbean.

Venezuelan crude supplies to the United States, on the other hand, dropped to 155,000 barrels a day from 389,000 a year earlier. Venezuelan crude was also the base for some additional 900,000 barrels of products shipped through Caribbean refineries to the United States.

Canada, the other traditional Western Hemisphere supplier of oil to American markets, also cut its shipments, with exports dropping to 404,000 barrels of crude a day from 554,000 barrels a day last year.

Prices moved moderately higher in quiet trading on the New York Stock Exchange today.

Analysts said reports by the three U.S. television networks that President Ford had the votes he needs for the Republican presidential nomination triggered some buying in the early afternoon. Up until that point prices had been mixed.

The Dow Jones Industrial Average gained 6.57 points to 999.24. It was up 5.07 at 3 o'clock.

About 780 issues showed gains, compared with about 630 showing losses.

Volume totaled 18.5 million shares compared with 16.21 million yesterday.

Digital Equipment rose 3 7/8 to 173 7/8.

Procter & Gamble picked up 1 3/8 to 98. The company reported higher fourth quarter earnings.

Michigan Seamless Tube fell 1 1/8 to 19. The company reported lower third quarter earnings and predicted that net for the year would be down as well.

Dillon Co. rose 2 1/8 to 33 3/8. The company raised its cash dividend, declared a stock dividend and reported higher fourth quarter earnings.

Utah International gained 2 3/8 to 87 1/4. Data General 1 1/8 to 49 7/8. Eastman Kodak 1 1/8 to 98 3/4. Du Pont 2 to 139 3/4. Arthur G. McKee 1 to 20. Hewlett-Packard 1 1/8 to 105 5/8. Parker Drilling 1 3/8 to 32. Velsco Offshore 1 1/8 to 18 1/2. Getty Oil 1 1/4 to 182 and PepsiCo 1 to 84 1/4.

ARA Services advanced 1 to 55. Philip Morris 1 1/2 to 56. Union Carbide 1 1/2 to 66 5/8. Marathon Oil 1 3/8 to 58 1/4. Capital Cities 1 to 53 1/2 and Schlumberger 1 1/8 to 96 1/8.

American Stock Exchange prices were slightly lower in light trading. The Amex index slipped 0.15 to 103.74.

Active liquidation and, later, a lack of buyers, combined to produce limit declines in four of the major farm commodity futures on the Chicago Board of Trade.

Soybeans were down 20 cents a bushel, soybean meal declined \$10 a ton, soybean oil was off 100 points, or 1 cent a pound, and oats 6 cents a bushel. All were down by the limit. Wheat futures were down 9 1/2 cents and corn 5 1/4.

On the basis of the current rate structure for the Group's loans, prospects for the remainder of 1976 appear favorable.

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CANADA PERMANENT MORTGAGE CORPORATION

and its subsidiary

CANADA PERMANENT TRUST COMPANY

Report for the six months ended 30 June 1976

Net earnings for the six months ended 30 June 1976 increased by 20% to \$7,369,000 (\$1.04 per share) from \$6,132,000 (\$0.86 per share) for the equivalent period in 1975.

These improved earnings are attributable to a significant increase in net income derived from mortgages and other loans and to higher levels of

commissions earned in the real estate area. Since 1 July 1975, total assets have risen by almost \$570 million (24%), including an increase of approximately \$370 million in outstanding mortgages.

On the basis of the current rate structure for the Group's loans, prospects for the remainder of 1976 appear favorable.

CONSOLIDATED OPERATIONS

	1976	1975	%
Revenues	\$151,890	\$117,649	29
Net operating income before income taxes	10,364	8,629	20
Net operating income	7,427	6,048	23
Net earnings	7,369	6,132	20
Net earnings per share	\$1.04	\$0.86	21

CONSOLIDATED ASSETS AND LIABILITIES

	1976	1975	%
Assets	\$2,311,449	\$1,938,961	19
Mortgages	314,886	310,429	1
Securities	362,090	169,838	113
All other assets	2,988,365	2,419,228	24
Liabilities and equity	\$2,789,477	2,262,735	24
Deposits and customer borrowings	70,490	46,705	51
Other liabilities	118,398	109,788	8
Shareholders' equity	2,988,365	2,419,228	24

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Copies of Canada Permanent Mortgage Corporation's Interim Report for the six months ended 30 June 1976 and of the 1975 Annual Report may be obtained from Canada Permanent's London office, 65 Grosvenor Street, London W1X 9DB or from its London associate banking company, Canada Permanent AFI Limited, 1/2 Finsbury Square, London EC2A 1AL.

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Tel.: 031/33.13.42.
BRUSSELS 1000
Centre Int. Rogier,
13th floor, Suite 1507,
Entrance Hermes
Tel.: 02/218.34.53.
Open daily 9 a.m. to 6 p.m.

هذه امنه الاصل

A - Stocks and Bonds - P/E High Low Div. Yield										B - Stocks and Bonds - P/E High Low Div. Yield										C - Stocks and Bonds - P/E High Low Div. Yield										D - Stocks and Bonds - P/E High Low Div. Yield										E - Stocks and Bonds - P/E High Low Div. Yield										F - Stocks and Bonds - P/E High Low Div. Yield										G - Stocks and Bonds - P/E High Low Div. Yield										H - Stocks and Bonds - P/E High Low Div. Yield										I - Stocks and Bonds - P/E High Low Div. Yield										J - Stocks and Bonds - P/E High Low Div. Yield										K - Stocks and Bonds - P/E High Low Div. Yield										L - Stocks and Bonds - P/E High Low Div. Yield										M - Stocks and Bonds - P/E High Low Div. Yield										N - Stocks and Bonds - P/E High Low Div. Yield										O - Stocks and Bonds - P/E High Low Div. Yield										P - Stocks and Bonds - P/E High Low Div. Yield										Q - Stocks and Bonds - P/E High Low Div. Yield										R - Stocks and Bonds - P/E High Low Div. Yield										S - Stocks and Bonds - P/E High Low Div. Yield										T - Stocks and Bonds - P/E High Low Div. Yield										U - Stocks and Bonds - P/E High Low Div. Yield										V - Stocks and Bonds - P/E High Low Div. Yield										W - Stocks and Bonds - P/E High Low Div. Yield										X - Stocks and Bonds - P/E High Low Div. Yield										Y - Stocks and Bonds - P/E High Low Div. Yield										Z - Stocks and Bonds - P/E High Low Div. Yield										AA - Stocks and Bonds - P/E High Low Div. Yield										AB - Stocks and Bonds - P/E High Low Div. Yield										AC - Stocks and Bonds - P/E High Low Div. Yield										AD - Stocks and Bonds - P/E High Low Div. Yield										AE - Stocks and Bonds - P/E High Low Div. Yield										AF - Stocks and Bonds - P/E High Low Div. Yield										AG - Stocks and Bonds - P/E High Low Div. Yield										AH - Stocks and Bonds - P/E High Low Div. Yield										AI - Stocks and Bonds - P/E High Low Div. Yield										AJ - Stocks and Bonds - P/E High Low Div. Yield										AK - Stocks and Bonds - P/E High Low Div. Yield										AL - Stocks and Bonds - P/E High Low Div. Yield										AM - Stocks and Bonds - P/E High Low Div. Yield										AN - Stocks and Bonds - P/E High Low Div. Yield										AO - Stocks and Bonds - P/E High Low Div. Yield																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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Midland Bank Limited
U.S. \$50,000,000 Floating Rate
Capital Notes 1983
For the six months
August 18, 1976 to February 18, 1977
the Notes will carry an
interest rate of $7\frac{1}{2}$ per cent per annum.
Listed on The London Stock Exchange.
Principal Paying Agent:
European-American Bank & Trust Company,
10 Hanover Square, New York, NY 10005, USA.

[illegible]

as at 30th June
(unaudited)

(US \$'000's)

ASSETS	1976	1975
Cash in hand and balances with banks	887,951	681,353
Bank certificates of deposit, notes and bonds	663,676	450,695
Precious metals	100,046*	110,833*
Government and municipal securities (U.S.A. and Great Britain)	263,410	256,672
Current accounts, advances to customers and bills of exchange	837,832	782,114
Other assets	63,535	55,796
Goodwill arising on consolidation	3,183	3,183
Investments	9,378	11,093
Fixed assets	36,818	34,279
	<hr/> 2,865,829	<hr/> 2,386,018

Deposits, balances due to customers and
inner reserves
Other liabilities

CAPITAL FUNDS		
Loan capital	20,000	20,000
Capital notes	33,412	34,860
Minority interests	38,463	36,855
Shareholders' funds:		
Share capital	24,605	24,605
Reserves and profit and loss account	141,621	125,802
Total shareholders' funds	166,226	150,407
Total capital funds employed	258,101	242,122
	2,865,829	2,386,018
Letters of credit and guarantees	115,143	81,493

Letters of credit and guarantees

*against which forward sales amount to \$ 98,185,000 in 1975 and \$ 98,115,000 in 1976.

for 6 months to 30th June

Net earnings after tax, minority interests and transfer to inner reserves (US\$ '000's)	11,110	10,487
Earnings per share:	\$ 0.68	\$ 0.64

Number of shares outstanding

16,403,300 16,403,300

Trade Development Bank, Geneva

Republic National Bank of New York, New York
Trade Development Bank (Luxembourg) S.A., Luxembourg
Trade Development Bank (France) S.A., Paris
Trade Development Bank Overseas Inc., Panama City

Offices and correspondents in all major financial centers.

The undersigned announces that as from August 25, 1976 at the Co-Associates, N.V., Spuisrakweg 1, 1075 XG Amsterdam, the above mentioned company will be accompanied by an "Affidavit" of the OOR's, The Dai-Ichi Kangyo Bank Ltd., each repr. 100 shs. will be payable with Dfls. 1.80 net (div. per record-date 2.50; less 0.70 for the 1975-1976 period of 15%, Japanese tax = Yen 75.50 = Dfls. -34.4 per OOR).

Without an Affidavit 20% Jap. tax (= Yen 60 = Dfls. -46) will be deducted.

After 11-15-76 the div. will only be paid, under deduction of 20% Jap. tax with Dfls. 1.78 net, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, August 11, 1976.

800 Acres in Eastern New Jersey U.S.A.
\$2,400,000

- Excellent access to New York City and Philadelphia Metropolitan areas.
- Short distance to Atlantic Ocean resorts and beaches.
- Zoned for residential development.
- \$725,000 Down Payment.

For further details, write:
Mr. M. Gropper

LEISURE TECHNOLOGY CORP.

1 Airport Road,
Lakewood, New Jersey 08701, U.S.A.
Cable address: Leisuretown.

Interest Rates

Bar	mark	franc	sterling
5-6	312-4 1/2	1/2 - 3/4	12 - 13
5-7	4 - 4 1/2	3/4 - 1 1/4	12 1/2 - 13
5-8	4 1/2 - 4 3/4	1 1/4 - 1 1/2	13 1/2 - 14
5-9	4 3/4 - 4 7/8	1 1/2 - 2 1/4	13 1/4 - 14
5-10	5 - 5 1/2	2 1/4 - 2 1/2	14 - 14 1/2

IBM Options

Price	Oct.	Jan.	April
	25	30%	30
	9%	16%	22%

DROULLA & CO.

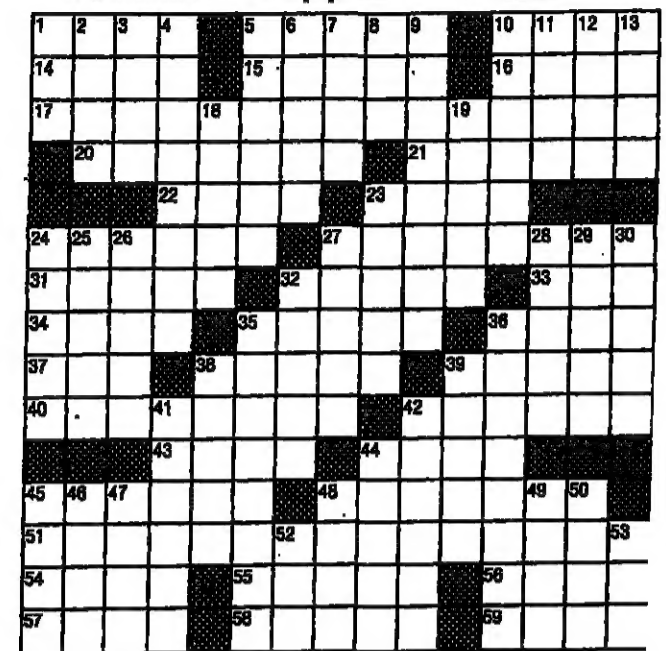
ers N.Y. Stock Exchange.

INE Swiss	ATHENS, Greece
Francis	3-Stadion Street
42.02	Tel: 222.130
4.771	Telex: 68.11

CROSSWORD

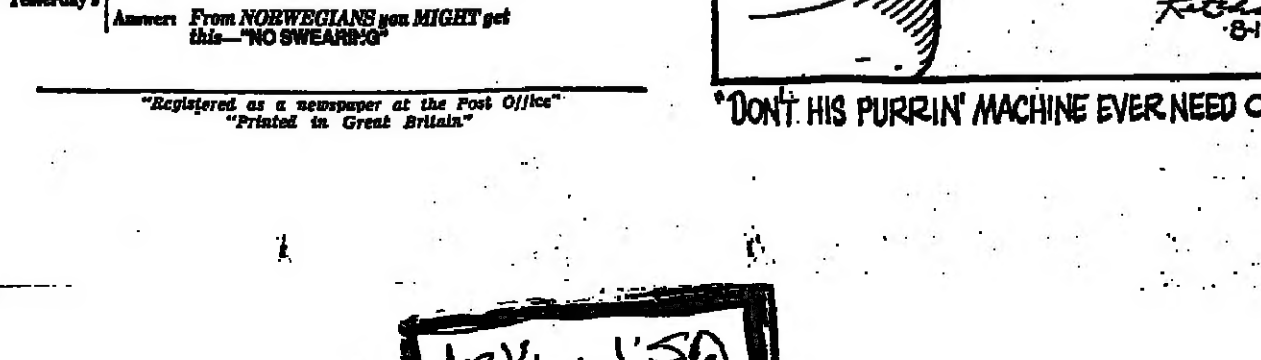
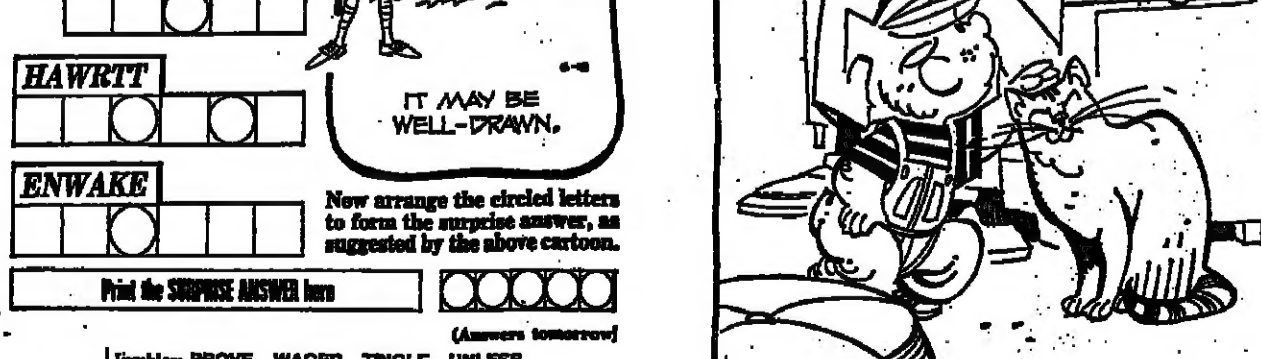
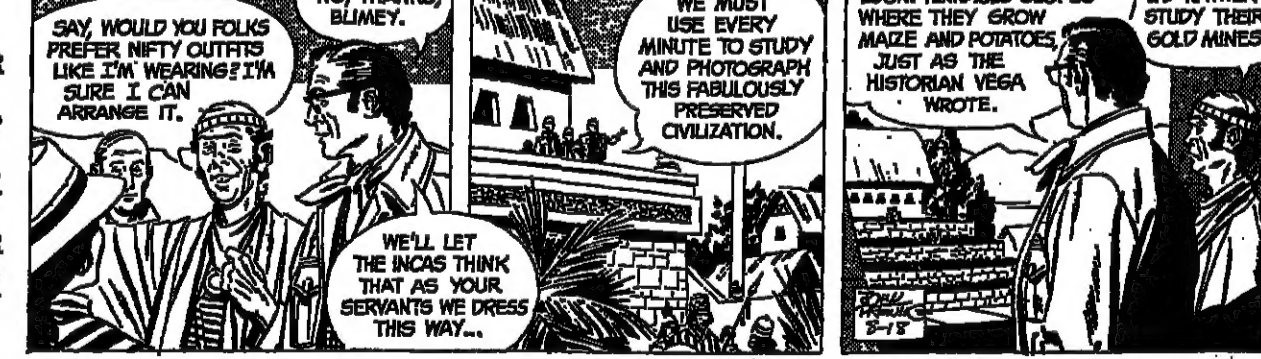
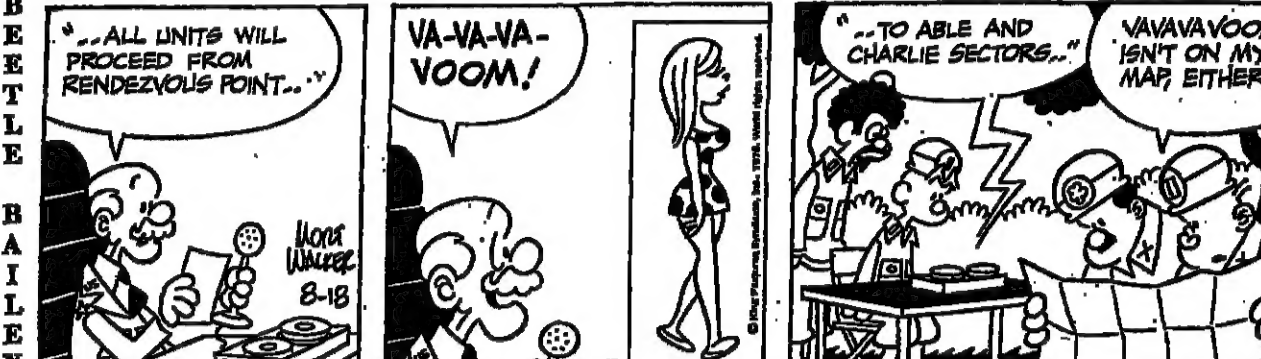
Edited by Will Weng

- ACROSS**
- 1 Vaudeville turns
 - 3 Hebrew teacher
 - 5 Biblical gift-bearers
 - 14 Result of a head-knocking
 - 15 50th-state separator
 - 16 Radio-tube worker
 - 17 Teeny in a rut
 - 20 Menu offerings
 - 21 Singer Ethel
 - 22 Crags
 - 23 Persian fairy
 - 24 Kind of scout
 - 27 Maxim's bequest to gangsters
 - 31 Onto
 - 32 Gun gals
 - 33 Comic Olsen
 - 34 France's -le
 - 35 Staff people
 - 36 English title
 - 37 Ingrid Bergman's daughter
 - 38 Violin
 - 39 Second-brightest stars
- DOWN**
- 1 Priest's robe
 - 2 "the disease and kill the patient"
 - 3 Secret Service sleuths
 - 4 Splashes
 - 5 Stack
 - 6 Farm measures
 - 7 Buzzers
 - 8 Bleat
 - 9 Old-time desk features
 - 10 Agronomy of TV
 - 11 Askew
 - 12 Equipment
 - 13 Bugs
 - 14 Danish money
 - 15 Demides
 - 16 Like a soft carpet
 - 17 Pounds down
 - 18 Impend
 - 19 Hawaiian island
 - 20 Washing and baking items
 - 21 Raccoon's cousin
 - 22 Violinist
 - 23 Mischa
 - 24 Della or Peewee
 - 25 Bogs
 - 26 Muscle users for one
 - 27 Jimmy Carter, for one
 - 28 Rogue
 - 29 Actor George
 - 30 School chores
 - 31 Pass
 - 32 Abalone
 - 33 Promenade
 - 34 Loser's eating component
 - 35 Smog component
 - 36 Facilitate
 - 37 Relaxation
 - 38 River duck
 - 39 Kind of trap
 - 40 Jack of clubs, in lute



WEATHER

ALABAMA	40	Clear
ALASKA	20	Clear
ARIZONA	20	Clear
ARKANSAS	20	Clear
CALIFORNIA	20	Clear
COLORADO	20	Clear
CONNECTICUT	20	Clear
DELAWARE	20	Clear
FLORIDA	20	Clear
GEORGIA	20	Clear
ILLINOIS	20	Clear
INDIANA	20	Clear
IOWA	20	Clear
KANSAS	20	Clear
KENTUCKY	20	Clear
LOUISIANA	20	Clear
MAINE	20	Clear
MARYLAND	20	Clear
MASSACHUSETTS	20	Clear
MICHIGAN	20	Clear
MINNESOTA	20	Clear
MISSISSIPPI	20	Clear
MISSOURI	20	Clear
MONTANA	20	Clear
NEBRASKA	20	Clear
NEVADA	20	Clear
NEW HAMPSHIRE	20	Clear
NEW JERSEY	20	Clear
NEW YORK	20	Clear
NORTH CAROLINA	20	Clear
NORTH DAKOTA	20	Clear
OHIO	20	Clear
OKLAHOMA	20	Clear
OREGON	20	Clear
PENNSYLVANIA	20	Clear
RHODE ISLAND	20	Clear
SOUTH CAROLINA	20	Clear
SOUTH DAKOTA	20	Clear
TENNESSEE	20	Clear
TEXAS	20	Clear
UTAH	20	Clear
Vermont	20	Clear
VIRGINIA	20	Clear
WASHINGTON	20	Clear
WEST VIRGINIA	20	Clear
WISCONSIN	20	Clear
WYOMING	20	Clear



BOOKS

THE ENGLISH PUB

By Michael Jackson. Harper & Row. Illustrated. 170 pp. \$15.

Reviewed by Anatole Broyard

"An endless pub-crawl would afford the best lesson in England's heritage and history. What other country has painted its story in the streets, hung pictures at every corner, at every roadside and village, like a continuous tapestry, and captioned them with wit, rhyme and comment? From the ubiquitous Green Man (pre-Christian) to the unique Dog and Trumpet (1970s), England's every square mile is a vast open-air museum, detailing its own geography, topography, military history, heraldry, its personalities, birds and beasts, occupations and sports."

While Michael Jackson, author of "The English Pub," sounds in these remarks as if he had just enjoyed several of "the best" in his favorite local, he does succeed in making the pub seem a cornerstone in the English social structure. As he says, "The pub is an institution unique to England, and there is nothing more English." Samuel Johnson went even further in his famous remark: "No air, there is nothing which has yet been contrived by man by which so much happiness is produced as by a good tavern or inn."

Just as the pub is the center of village life, it creates the equivalent of the village—a neighborhood feeling—in the city. It is a place where people enjoy a common atmosphere and common activities. An increasingly rare social phenomenon. In a pub, a person can enjoy anything from peripheral companionship—a comforting feeling of sharing the human lot—to whatever degree of intimacy his inclination and ingenuity can achieve.

One of the greatest advantages of a pub, Dr. Johnson pointed out, is that one is on neutral ground; no one is either guest or host, in the sense of social obligation. No solicitude is required. The sociability can be spontaneous. At its very least, the pub is a cell padded with people.

It is worth reading the least of Charles Dickens' novels to hear him describe a pub or inn. While pub did not figure as prominently in Thomas Hardy's novels, he did some of his writing in one, and an ale named after him was listed by the Guinness Book of Records as the world's strongest beer. English ale or beer—the words are now used almost interchangeably according to Jackson—is admittedly an acquired taste.

According to "The English Pub" England turns out more than 1,000 brands of beer, but unlike the products of other countries, each is strongly different. Jackson describes them with poetic discrimination: "The encounters with the unexpected, the possibility of either triumph or disaster, the pursuit of the elusive, the constant lessons, the hither-and-thither memories that linger." He does not even try to disguise the fact that he is a connoisseur and a traditionalist where beer is concerned. As he puts it, the attempt to use mass-production

methods in making beer invoked the "Dunkirk spirit" in English hearts, and locally brewed beer revived. The author agrees with a member of Parliament who described beer as "a moral species of beverage," something equivalent to milk in the United States.

Beer, according to the author, has been brewed since the Mesopotamian Age and the first alehouses in England probably date as far back as the first century AD. Some surviving pubs have cellars or foundations going back to the 12th or 13th centuries. It is curious to see the number of pubs next door to churches: Jackson explains that these "hospices," as they were once called, were built to house and nourish workmen during the long years required to complete what he regards as the only equally holy edifice beside it.

"The English Pub" is as pleasant as its subject. The author is very learned in his field and writes with suitable irony about the invasion of plastic and other hideous modern innovations into the time-honored pub. Pub names show English eccentricity at its most imaginative. There are The Frog and Night-gown, The Pig and Whistle, The Goat and Compasses. This last may be a corruption of "God encompasseth us." At different times, pubs have served as law courts, theaters and even hanging places. At The White Hart, it was customary for the condemned man to have one last beer to fortify him against the fires of hell.

There is a chapter on eating in pubs that illustrates once more what an individualistic people the Englishmen possess. In this section, we learn that Suffolk cheese made dogs bark. "The English Pub" ought to make many readers growl, at least, with appreciation. Even if you can't drink the stuff sold in these places, it is a heady subject.

Anatole Broyard is a book reviewer for The New York Times.

Best Sellers

The New York Times

This list is based on reports from more than 250 bookstores throughout the United States. Weeks are not necessarily consecutive.

FICTION	Weeks on list
1. "The Godfather Part II," by Mario Puzo	1
2. "The Day After Tomorrow," by Michael Crichton	2
3. "The Deep," by Peter Benchley	3
4. "Dolores," by Jacqueline Susann	4
5. "Covered," by Thomas H. Ince	5
6. "Agent in Place," by Helen Macdonald	6
7. "1976," by Gore Vidal	7
8. "The West End Horror," by Michael Chabon	8
9. "A Stranger in the Mirror," by Sidney Sheldon	9
10. "Mary Stewart"	10
GENERAL	Weeks on list
1. "The Final Days," by Bob Woodward and Carl Bernstein	1
2. "Passages," by Gail Kefauver	2
3. "A Man Called Intrepid," by William Stevenson	3
4. "Conquering Time," by Irving Howe	4
5. "World of Our Fathers," by Irving Howe	5
6. "A Year of Wonders," by David Shields	6
7. "Lyndon Johnson and the American Dream," by Doris Kearns	7
8. "Loretta Lynn: Coal Miner's Daughter," by Loretta Lynn	8
9. "The Russians," by Selye	9
10. "The Shocked," by Selye	10

BRIDGE

By Alan Truscott

West was the hero of the diagrammed deal played in a rubber bridge game. He overcalled one heart with two diamonds. His opponents eventually reached six hearts after a questionable auction.

North's jump to five hearts wrongly suggested diamond weakness, and he would have been better advised to cuebid his diamond ace on the second round and then invite the heart slam. But the result would have been the same.

It appears that six hearts is a certainty. The declarer will lose one trump-trick, but with the spade king favorably located, he cannot fail. Or so it would seem. In practice he fell victim to West's wily defense.

The diamond lead was won with the ace, and the heart ten was run. But instead of taking his queen, West ducked smoothly, a neat subterfuge. South confidently repeated the finesse, thinking he was about to make an overruff, and was only slightly disconcerted when the queen now appeared on his left. West now made another fine play by shifting to a spade. The declarer knew that the spade finesse was likely to work, because of the overcall, but it seemed an unnecessary risk. He confidently put up the ace in dummy and tried to enter his hand with a club lead. But West produced his remaining trump, followed by the spade king, for down two.

NORTH
♠ A Q 8 6 3
♥ 10 3
♦ A
♣ K Q 3

WEST
♠ K 7 2
♥ Q 7 4
♦ Q J 10 7 5 3 2
♣ 10 9 7 5 3 2

EAST
♠ J 10
♥ 8 3
♦ 8 6 4
♣ 10 9 7 5 3 2

SOUTH (D)
♠ 5 4
♥ A K J 9 6 5
♦ K 9
♣ A 8 6

Both sides were vulnerable.

The bidding:
South West North East
1 ♠ 2 ♣ 2 ♠ Pass
3 ♣ Pass 3 ♠ Pass
6 ♣ Pass 6 ♠ Pass
West led the diamond queen.

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

FROYE
[] [] [] [] [] [] [] []

CHAPT
[] [] [] [] [] [] [] []

HAWETT
[] [] [] [] [] [] [] []

ENWAKE
[] [] [] [] [] [] [] []

Print the SURPRISE ANSWER here

Yesterday's Jumble PROVE WAGER TINGLE UNLESS
Answer: From NORWEGIANS you MIGHT get this—NO SWEARING

DENNIS THE MENACE



Japan's 1976

